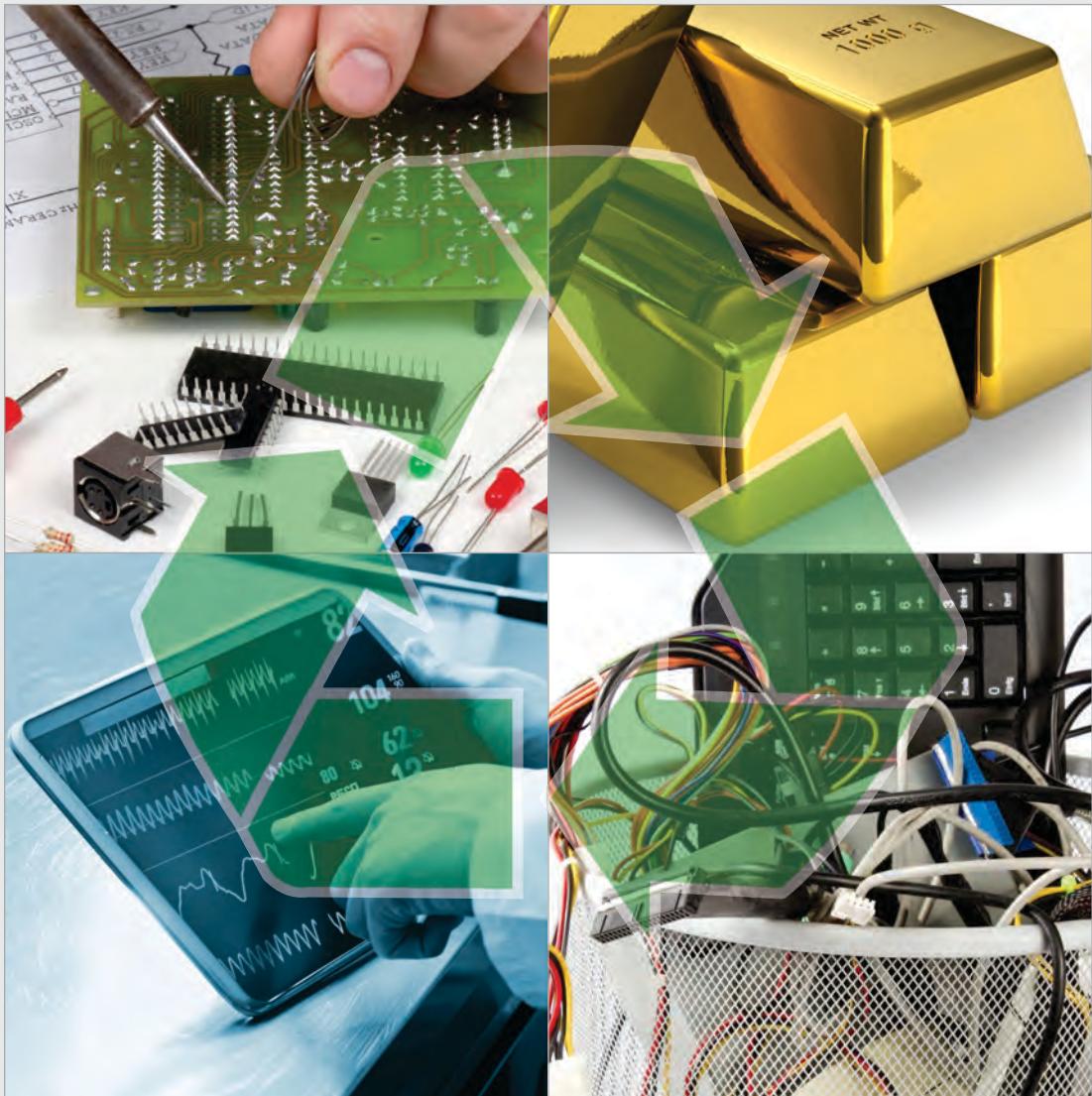


# 21<sup>st</sup> ANNUAL REPORT

(2014-15)



Cerebra Integrated Technologies Limited



[www.cerebracomputers.com](http://www.cerebracomputers.com)

**BOARD OF DIRECTORS**

V. Ranganathan	- Managing Director
Shridhar S. Hegde	- Whole-Time Director
P. Vishwamurthy	- Whole-Time Director
Preethi Javali	- Additional Director
T. S. Suresh Kumar	- Director
P. E. Krishnan	- Director
S. Gopalakrishnan	- Director

**Company Secretary and Compliance Officer**  
Nutan Soudagar**REGISTERED OFFICE and FACTORY**

#S-5, Off 3<sup>rd</sup> Cross, I Stage  
Peenya Industrial Area  
Bangalore - 560 058  
Tel: 91 - 80 - 28370282/84  
Fax: 91 - 80 - 28372609  
Web: [www.cerebracomputers.com](http://www.cerebracomputers.com)  
Email: [info@cerebracomputers.com](mailto:info@cerebracomputers.com)

**CORPORATE OFFICE AND ITEs FACILITIES**

26/4, 'A' Block, 2<sup>nd</sup> Floor  
Industrial Suburb, Rajajinagar  
Bangalore- 560 055

**SUBSIDIARY COMPANIES**

The Company has following Subsidiaries:

1. Cerebra LPO India Limited.
2. Geeta Monitors Private Limited.
3. Cerebra Middle East FZCO, Dubai, UAE.
4. Cerebra E Waste Recovery PTE Limited, Singapore

**STATUTORY AUDITORS**

Messrs Ishwar&Gopal  
Chartered Accountants  
Sri Vinayaka Motor Service Building  
No, 21/3,T.S.P.Road, Kalasipalyam  
Bangalore – 560 002

**SECRETARIAL AUDITOR**

Parameshwar G Bhat  
Practising Company Secretary  
Bangalore

**INTERNAL AUDITORS**

Murugendrappa & Co.  
Chartered Accountants  
Bangalore

**REGISTRARS & SHARE TRANSFER AGENTS**

Karvy Computershare Private Limited  
Karvy Selenium Tower B | Plot number 31 & 32 |  
Financial District |Nanakramguda | SerilingampallyMandal  
Hyderabad - 500032 | India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: [shobha.anand@karvy.com](mailto:shobha.anand@karvy.com)

**BANKERS**

Bank of India

**ENLISTMENTS**

BSE Limited  
National Stock Exchange of India Limited (NSE)

**DEPOSITORIES**

National Securities Depository Limited  
Central Depository Services Limited

**FROM THE DESK OF MANAGING DIRECTOR**

Dear Stakeholders,

Greetings from the management of Cerebra.

It is always a pleasure to personally brief you on all the happenings in your Company and I thank you for giving me another opportunity to do this. We are now 23 years old in this business and hardware is still our main bread earner. It has been a mixed bag and the global meltdown, challenging economic environment in India has all contributed to many sleepless nights. Inspite of all these your Company has performed admirably and your Company's management and key employees have strived hard to maintain profitability and growth quarter after quarter.

We are reasonably confident of performing well and exceeding expectations in the ongoing year. Make in India programme started by our PM has excited us and we are looking at starting manufacturing a few high end products during this year. We are sure this will contribute a major portion to our topline and also provide a healthy bottom line in the coming years. India, inspite of the continuing bleak economic scenario, is growing reasonably and am sure it should only increase in the coming years. Cerebra is rightly poised to take a major market share with the right initiatives and strategies being put in place by your management.

Our UAE Subsidiary is performing well and it is now close to 4 years in the MENA region. We are expanding rapidly at the same time with a clear eye on the bottom line. We have more than 100 partners and have a firm presence in the Middle East. We have created a brand well recognised in the region.

Cerebra LPO has also worked quite hard in challenging circumstances and now have a decent business plan. We have increased our headcount and have added new customers globally.

You will find more details of the subsidiaries in the Board's Report.

We are working on expanding our EMS and contract manufacturing division and will be adding two more lines to augment our manufacturing capacity here.

Finally our mainstay for the coming years ..our E waste division. The business has grown and we have worked towards setting up India's largest E waste recycling facility In Narsapura, Bangalore. We have raised the required funds for this and am sure that by this time next year a world class plant will be ready and in operation. I am looking forward to announcing this very soon. Both the central and the state Government are supporting us in this massive project.

We take this opportunity to thank you all, employees, partners, vendors, bankers and the Government of Karnataka and the Government of India for their continued support.

With Warm Regards

**V Ranganathan**  
Managing Director  
DIN : 01247305

# **Annual Report 2014-2015**

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## **CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

Regd Off.: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

### **NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Company will be held on Tuesday the 29<sup>th</sup> September, 2015 at 10:00a.m at the Corporate office of the Company situated at 26/4, 'A' Block, 4<sup>th</sup> Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore-560 055 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements including Audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss of the Company for the year ended as on that date together with the Board's Report including Secretarial Audit Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Vishwamurthy Phalantra (holding DIN 01247336), who retires by rotation and is eligible for re-appointment.
3. To consider, and to pass, if thought fit the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs Ishwar&Gopal, Chartered Accountants, having ICAI Firm Registration No. 001154S, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial years 2015-16 to 2019-20 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company".

#### **SPECIAL BUSINESS:**

4. To consider, and to pass, if thought fit, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013, Ms. Preethi Javali (holding DIN 07157145), who was appointed as an Additional Director of the Company by the Board of Directors, and who holds the office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company".

5. To consider, and to pass, if thought fit the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P E Krishnan (holding DIN 01897686), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years i.e. for a term up to 13<sup>th</sup> February, 2020".

6. To consider, and to pass, if thought fit the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, approval be and is hereby accorded to dispose the Shares in Geeta Monitors Private Limited (GMPL), material Subsidiary reducing the shareholding to less than 50% and fully actions already taken in this respect be and are hereby ratified".

By order of the Board  
For Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14<sup>th</sup> August, 2015

**V. Ranganathan**  
Managing Director  
DIN: 01247305

**NOTES:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to vote instead of himself/herself and the proxy appointed need not be a member. The duly filled in proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4,5 and 6 is annexed herewith.
3. For the convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by an Attendance Slip, which is forwarded as detachable part of Annual Report. Members are requested to affix their signature at the place provided in the Attendance Slip and hand it over at the entrance.
4. Members, who hold shares in dematerialized form, are requested to bring in their Client ID and DP ID nos. for easier identification of attendance at the meeting and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least 7 days prior to the meeting, so that, the required information can be made available at the meeting.
6. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
7. Members holding more than one share certificate in different folios are requested to kindly apply for consolidation of the folios and send the relative share certificates to the Company's Registrar and Share Transfer Agent.

Karvy Computershare Private Limited

Karvy Selenium Tower B | Plot number 31 & 32 |  
Gachibowli Financial District |Nanakramguda | Serilingampally  
Hyderabad - 500032 | India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karry.com

8. Listing fee has been paid to the BSE Limited and National Stock Exchange of India Limited (NSE) up to date and the Company has already made delisting applications to Kolkata Stock Exchange and Ahmedabad Stock Exchange.
9. The Company's Shares are traded in electronic form with ISIN No. INE345B01019.
10. The Register of Members and the Share Transfer Books will remain closed on 29<sup>th</sup>September, 2015 in connection with the Annual General Meeting.
11. Members are kindly requested to bring Annual Report 2014-15 along with them to the Annual General Meeting.
12. As regards to re-appointment of Mr. Vishwamurthy Phalantra (holding DIN 01247336) referred to, in item No.2 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Vishwamurthy Phalantra

Date of Birth: 3<sup>rd</sup> May, 1967

Qualification: BE

Expertise: ITeS and Software

No. of Board Meetings attended during the year: 8

Name of the Company/Firms	Nature of Interest
Cerebra LPO India Limtied	Director
CIN No. U72200KA2008PLC047597	

13. Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 21<sup>st</sup>Annual General Meeting to be held on

## **Annual Report 2014-2015**

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29th September, 2015 at 10.00 a.m at the Corporate office of the Company situated at 26/4, 'A' Block, 4<sup>th</sup> Floor, Industrial Suburb, Sandal Soap Factory Metro Station, Rajajinagar, Bangalore-560 055. The Company has engaged the services of Karvy Computershare Private Limited to provide the e-voting facility.

The instructions for E-voting are as under:

- i. To use the following URL for e-voting:  
<https://evoting.karvy.com>
  - ii. Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering the details appropriately, click on LOGIN.
  - iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the EVENT i.e., **Cerebra Integrated Technologies Limited.**
  - vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
  - viii. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios/ demat account.
  - ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
  - x. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail parameshwar@vjkt.in or scrutinizer@cerebracomputers.com.
  - xi. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
  - xii. The Portal will remain open for voting from: **Friday the 25th September, 2015 (9:00 am) and ends on Monday the 28<sup>th</sup> September, 2015 (5:00 pm).**
  - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese P A of Karvy Computershare Private Limited at 91 040 67161503 or at 1800 345 4001 (toll free).
  - xiv. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participants]:
- (i) User ID and initial password as provided overleaf.
  - (ii) Please follow all steps from Sl. No. (i) to (xii) as mentioned in above, to cast your vote.
- xv. The results of e-voting will be announced by the Company in its website and also informed to the Stock Exchanges.

E-voting Details

EVENT	User ID	Password

Kindly note that once you have cast your vote you can not modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

- xvi. The voting period begins on **Friday, the 25th September, 2015 (9:00 am) and ends on Monday, the 28<sup>th</sup> September, 2015 (5:00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2015, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- xvii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://evoting.karvy.com> under help section or contact Mr. Varghese P A of Karvy Computershare Private Limited at 91 040 67161503 or at 1800 345 4001 (toll free).
- xviii. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity sharecapital of the Company as on the cut-off date of 22nd September 2015.
- xix. Mr. Parameshwar G. Bhat, Practising Company Secretary, Bangalore has been appointed as Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- xx. The Scrutiniser shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutiniser's report of the votes cast in favour or against, if any, forthwith to Managing Director or designated Director of the Company.
- xxi. The results of Annual General Meeting shall be declared within three (3) days from the conclusion of the Annual General Meeting. The e-voting along with the Scrutinizer's Report shall be placed on the Company's website ([www.cerebracomputers.com](http://www.cerebracomputers.com)) and on the website of Karvy. The results will also be communicated to the Stock Exchanges where the shares of the Company are listed.
- xxii. Further, members may note the following:
- a. Remote e-voting shall not be allowed beyond the said date and time.
  - b. The Company is providing facility to vote on a poll to the members present at the meeting.
  - c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the General Meeting.
- xxiii. The Shares of the Company are compulsorily traded in electronic form. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Transfer Agent of the Company at the following address:
- Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot number 31 & 32,  
Gachibowli Financial District, Nanakramguda, Serilingampally  
Hyderabad - 500032, India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karvy.com
- xxiv. Pursuant to SEBI notification no. MED/DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTA to enable/effect transfer of Shares in physical form.

By order of the Board  
For **Cerebra Integrated Technologies Limited**

Place : Bangalore  
Date : 14<sup>th</sup> August, 2015

**V. Ranganathan**  
Managing Director  
DIN: 01247305

## **Annual Report 2014-2015**

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### **EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:**

#### **Item No. 4:**

At the meeting of the Board held on 31<sup>st</sup> March, 2015, Ms. Preethi Javali was inducted as an Additional Director of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") she will hold office up to the date of the ensuing Annual General Meeting. Notice has been received from a Member signifying her intention to propose her as a Director at the ensuing Annual General Meeting along with a deposit of Rs. 1,00,000/- (Rupees One Lakh only).

Except Ms. Preethi Javali, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval by the members.

#### **Item No. 5:**

Mr. P.E. Krishnan (holding DIN 01897686): As regards appointment of Mr. P.E. Krishnan as an Independent Director referred to, in item No. 5 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. P.E. Krishnan - aged about 50 years is an Independent Director holds Bachelor Degree in Commerce. He has vast experience in Accounts and Finance is a consultant for many firms for Investment and Financial aspects. He has been associated with Cerebra since 1996.

#### **Other Directorships / Committee Memberships:**

Name of the Company/CIN NO.	Designation	Member of Committee
Helios Sol Management Consultancy Private Limited U74900TN2009PTC074111	Additional director	<b>NIL</b>
Solis Management Consultants Private Limited U74900TN2012PTC084676	Director	<b>Nil</b>

He is member of Audit Committee and Remuneration Committee of Cerebra.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013. Mr. P.E. Krishnan being eligible and offering himself for appointment is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years from 14th February, 2015 to 13th February, 2020.

Mr. P.E. Krishnan has furnished a declaration confirming that he satisfies the criteria of independence as required under Section 149(6) of the Companies Act, 2013. The Board of Directors at its meeting held on 14th February, 2015, opined that Mr. P.E. Krishnan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. P.E. Krishnan as an Independent Director.

Mr. P.E. Krishnan, being an appointee is concerned or interested in the resolution set out at Item No.5 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the members.

#### **Item No. 6:**

The Shareholders may recall that the Company had invested upto 51% of the paid up Capital of the Geeta Monitors Private Limited (GMPL), Subsidiary Company.

GMPL whilst has been carrying on its business, the excepted levels were not achieved and the business is being carried on with lesser margins than anticipated. After careful evaluation, your Board has decided to disinvest in GMPL in tranches

so that the proceeds of the disinvestment may be better utilized in more profitable business of the Company. With this GMPL will no longer be Subsidiary of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Board recommends the Special Resolution set out at Item No. 6 of the notice for approval by the members.

By order of the Board  
For **Cerebra Integrated Technologies Limited**

Place : Bangalore  
Date : 14<sup>th</sup> August, 2015

**V. Ranganathan**  
Managing Director  
DIN: 01247305

# **Annual Report 2014-2015**

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## **BOARD'S REPORT**

To the Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the 21<sup>st</sup> year ended 31<sup>st</sup> March, 2015.

### **CONSOLIDATED FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:**

(Rs. in lakhs)

Particulars	2014-15	2013-14 (for six months)
Gross Income	26767.13	13128.12
Profit Before Interest and Depreciation	677.00	371.30
Finance Charges	309.05	117.70
Gross Profit	367.52	253.60
Provision for Depreciation	106.06	47.05
Net Profit Before Tax	261.45	206.55
Provision for Tax	30.08	25.07
Net Profit After Tax	231.37	181.48
Minority Interest	43.27	38.19
Balance of Profit brought forward	188.10	143.29
Proposed Dividend on Equity Shares	0.00	0.00
Tax on proposed Dividend	0.00	0.00

### **Enterprise Solutions Division (ESD)**

Cerebra has been since many years implementing various IT based projects for many startups and established companies. The Company studies customers' IT requirements, identify pain points and accordingly design and plan their IT H/W & S/W infrastructure which includes networking, servers, storage, endpoints, operating systems, application software and ensure successful implementation.

Many small and medium size enterprises lack proper IT infrastructure and rely more on AMC providers for their IT requirements which get fulfilled on a short term basis mainly because the AMC companies lack the technical skills as well as the vision to design IT infrastructure based on growth plans. In addition, many more companies are looking to completely outsource their IT resources for day to day operations and maintenance. Cerebra can successfully help bridge this gap with its technical competencies and strategic tie-ups with leading MNC technology vendors. Cerebra can design, implement and maintain IT infrastructure for SMEs as well as large enterprises successfully.

During the financial year 2014-2015, the continued focus on research labs, airports, defense, PSUs, PSBs, etc have been fruitful with Cerebra successfully executing large orders from. PSU's, Judiciary Department, Education, Medical etc.. . The Company has also been successful in closing deals in the Transport, higher education segment both in government as well as private institutions. In addition Cerebra has added new corporate customers in the retail, manufacturing & healthcare segments during the period. Cerebra is considered as a preferred vendor by many of these organizations. Cerebra has also strengthened its relationships with leading MNC OEM Brands and established itself as a key player especially in education, healthcare, defense, space & research lab segments while we stay focused on making a mark in other state & central government departments/bodies/PSUs.

With continued focus from the account managers in the Education, Healthcare, Retail, Defense, Space, PSU, PSB, Research Labs, Airport, Large Corporates, SMBs, etc. and incremental focus on AMC, FMS, Implementation & other services, your Company intends to bring new business opportunities and a fairly large contribution to Cerebra's revenues in the new financial year 2015-2016.

**E-WASTE Recycling Unit** – This division is doing well and is soon expected to start the factory construction and every effort is being put in this direction. Currently collection, repair and refurbishment and E-Waste shredding activity are being carried out from its temporary facility in Peenya. The Board is pleased to report that the Company has now added more new customers to its existing client base.

**Geeta Monitors Private Limited (GMPL)** - Popularly known as Geeta Electronics has been going through change in structure to adapt to the market situations and its mission to becomes a pure System Integration company in next 2 years. Some key initiatives were put in place to adapt to the vision. While the run rate business of hardware continue through the committed resellers, the Company also thought that solution and service based business should be taken up priority with the end enterprise customer is the way forward which otherwise was predominately addressing theSME and SMB segment. GMPL has successfully executed few major orders on Storage products.

**EMS (MANUFACTURING) DIVISION** – This division has added many new customers this year and also retained existing clients who have consistently increased the current orders. Exports have also done well in this division. This division has performed well and is currently rated as one of the Top Vendors. Domestic market has also increased and the division has confirmed orders for the next six months. The Company is on the verge of adding another SMT line to its existing facility there by increased production.

**Cerebra ME FZCO** - Cerebra Middle East has seen an encouraging growth in FY 14-15 both in terms of a 30% increase in revenue as well as an expansion of its channel partner base in the Middle East. Being focused on profitability and market expansion, the last year saw an increase in channel partner by about 90 partners though UAE, Kuwait, Qatar, Saudi Arabia, Oman, Egypt, Lebanon, Central & Eastern Africa. CME also increased its vendor portfolio by on boarding market leaders like Milestone, Neverfail, Inventum, Solus and Perpetuity into its product portfolio. The Security Solutions division launched 18 months ago is now rolling out best in class solutions in the Surveillance Security domain through the region. The last year also saw CME establish itself in the Kingdom of Saudi Arabia with a local tie up in order directly manage its fast growing channel base in the country.

The last year saw CME not only establish their footprint in the Middle Eastern markets but also put forward their first steps into developing markets like Africa. The year saw some prestigious orders from Enterprise customers. CME's focus area for 2015-16 are going to be channel growth, channel enablement, loyalty programs and a substantial increase in its vendor and solutions portfolio. There will be a special focus on the Surveillance Security and Services business. The year will see an increase in CME's industry specific portfolio coverage with storage, infrastructure and security solutions for the Oil and Gas, Banking, Healthcare, Telco, Media, Education, Retail & Hospitality verticals. The Company plans to set offices in Qatar by early 2016 in order to strategically manageone of the fastest growing markets in the region.

### **ITES DIVISION: Cerebra LPO India Limited**

LPO division started support for H1B petitions for clients in NJ, USA. The entire process of H1B was handled by Cerebra LPO team here.

A contract was executed with a US based Company for providing Immigration support who is a technology-powered immigration services provider that has reinvented the immigration process by providing end-to-end workflow software for applicants to provide a more effective, efficient, and affordable immigration solution. The company is the trusted partner to both individuals and companies worldwide, ranging from leading startups to publicly-traded companies.

Domestic orders for case summarisation of Judgements to include headnotes and facts of the case were executed.Efforts are on to strike additional partnerships for the division. The subsidiary is in talks with several prospects who are looking for support on Contract Review, Immigration paralegal support services and UK Conveyancing services.

Medical Transcription services division transcribed about 8.8 million lines for the year earning revenue of 16.9 Million rupees for the UK process. About 4.7 lakh lines were transcribed for US clients earning US\$22,250.

Overall all the units performed well by adding new clients & increased revenues.

#### **1) EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There were no material changes and commitments which occurred affecting the financial position of the Company between March 31, 2015 and the date on which this report has been signed.

## **Annual Report 2014-2015**

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### **2) MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

The Company has decided to disinvest in the Subsidiary namely Geeta Monitors Private Limited and approval of Shareholder is sought. This disinvest may have impact on the Consolidated Financial Accounts

### **3) CHANGE IN THE NATURE OF BUSINESS:**

The Company continue to focus on the strength of ESD, EMS and E Waste.

### **4) DIVIDEND:**

With a view to conserve the resources of Company the Directors are not recommending any dividend.

### **5) AMOUNTS TRANSFERRED TO RESERVES:**

The Board of the Company has decided/proposed to carry Rs. (76,18,158) to its reserves.

### **6) CHANGES IN SHARE CAPITAL:**

The Company has increased its Authorised Share Capital from Rs. Rs. 50,20,00,000/- (Rupees Fifty Crores Twenty Lakhs only) divided into 5,02,00,000 (Five Crores Two Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 110,20,00,000/- (Rupees One Hundred Ten Crores and Twenty Lakhs only) divided into 11,02,00,000 (Eleven Crores Two Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each by passing special resolution by the Members of the Company at the last Annual General Meeting of the Company.

During the Financial Year 2014-15, the Share Capital of the Company has been increased from Rs. 48,09,26,820/- (Rupees Forty Eight Crores Nine Lakhs Twenty Six Thousand Eight Hundred and Twenty Only) divided into 4,80,92,682 (Four Crores Eighty Lakhs Ninety Two Thousand Six Hundred and Eighty Two) Equity Shares of Rs. 10/- (Rupees Ten only) to Rs. 84,32,89,620/- (Eighty Four Crores Thirty Two Lakhs Eighty Nine Thousands Six Hundred and Twenty only) divided into 8,43,28,962 ( Eight Crores Forty Three Lakhs Twenty Eight Thousand Nine Hundred and Sixty Two) Equity Shares of Rs. 10/- (Rupees Ten only) pursuant to allotment of 3,62,36,280 Equity Shares of Rs. 10/- (Rupees Ten only) each under Private Placement.

### **Disclosure regarding Issue of Equity Shares with Differential Rights**

During the year under review, the Company has not issued Shares with Differential Rights

### **Disclosure regarding issue of Employee Stock Options:**

During the year under review, the Company has not issued Shares Employee Stock Options.

### **Disclosure regarding issue of Sweat Equity Shares:**

During the year under review, the Company has not issued Sweat Equity Shares.

### **7) CAPITAL INVESTMENTS**

Capital Investments during the year 2014-15 was at Rs.3113.88 Lakhs (Net of capital work-in-progress and capital advances) (2013-14: Rs. 3082.27 Lakhs).

### **8) BOARD MEETINGS:**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review Eight (8) meetings were held on 29<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, 16<sup>th</sup> December 2014, 19<sup>th</sup> December 2014, 28<sup>th</sup> January 2015, 14<sup>th</sup> February 2015 and 31<sup>st</sup> March, 2015.

The Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The details of other Committee Meetings during the year 2014-15 are given in the Corporate Governance Report.

### **9) DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. P. E. Krishnan (DIN: 01897686), Director of the Company, is proposed to be appointed as Independent Director for consecutive 5 years and he fulfil the requirements as per the Companies Act, 2013. His appointment is proposed under Special Business.

During the year Ms.Nutan Soudagar, has been appointed as Company Secretary of the Company w.e.f. 9<sup>th</sup> January, 2015 and designated as Compliance Officer of the Company as per the Listing Agreement. Ms.Preethi Javali, (DIN 07157145) who was appointed as an Additional Director, holds office up to the date of the ensuing Annual General Meeting; she is proposed to be appointed as Director of your Company.

Notice has been received from a member of the Company under Section 160 of the Companies Act, 2013 along with the requisite deposit.

Mr.P. Vishwamurthy, (DIN 01247336) Director, retires by rotation, as per the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**10) DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

**11) COMPOSITION OF AUDIT COMMITTEE:**

As on March 31, 2015, the Audit Committee of the Company consists of three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge.

The Board has accepted the recommendations of the Audit Committee during the year under review.

The Audit Committee consists of the following:

- a) Mr. S. Gopalakrishnan - Chairman
- b) Mr. T S Suresh Kumar - Member
- c) Mr. P. E. Krishnan - Member

**12) NOMINATION AND REMUNERATION COMMITTEE POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed in the website at [www.cerebracomputers.com](http://www.cerebracomputers.com) The Composition, criterial for selection of Directors and the Terms of Reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

The Nomination and Remuneration Committee consists of the following:

- a) Mr. S. Gopalakrishnan - Chairman
- b) Mr. T S Suresh Kumar - Member
- c) Mr. P. E. Krishnan - Member

**13) VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established an effective vigil mechanism (for directors and employees to report genuine concerns) pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement which is available on website of the Company and there were no cases reported during the last period.

**14) RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

No commission has been received by MD/WTD from a Company and/or receipt of commission / remuneration from its Holding or Subsidiary to be provided during the year under review.

**15) DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **16) EXTRACT OF ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is attached as **Annexure I.**

## **17) INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES / JV:**

The Company has following Subsidiaries:

- a) Cerebra LPO India Limited
- b) Geeta Monitors Private Limited\*
- c) Cerebra Middle East FZCO, Dubai
- d) Cerebra E Waste Recovery PTE Limited, Singapore

Financial performance of the Subsidiary Companies referred to in Section 129 of the Companies Act, 2013 in Form AOC-1 is annexed to this Report as **Annexure-II.**

\*Geeta Monitors Private Limited ceased to be Subsidiary Company consequent upon the disinvestment of 51% stake.

The policy for determining material Subsidiaries as approved by the Board is uploaded on the Company's website at [www.cerebracomputers.com](http://www.cerebracomputers.com)

## **18) AUDITORS:**

The Auditors, Messrs Ishwar&Gopal, Chartered Accountants, Bangalore (registered with ICAI membership number 021748), retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of five years from the conclusion of this Annual General Meeting till the conclusion of 26th Annual General Meeting.

The Company has received a certificate under Section 141 of the Companies Act, 2013 from them that their appointment would be within the limits specified therein.

### **AUDITORS' REPORT:**

Regarding emphasis matter of Auditors Report dated 29<sup>th</sup> May 2015, suitable views are explained in the note no. 29 (11 & 12) of the notes to accounts.

Your Directors report that Hon'ble Additional City Civil Court Bangalore, has issued an interim injunction order from exercising their rights of alienating, encumbering or creating any manner of charge or third party rights with regard to the allotment of 2300000 Shares to Cimelia Resource Recovery Pte Limited, 3600000 Shares to Restorer Corp Pte. Ltd (Formerly known as Scenic Overseas (S) Pte Ltd) and 3300000 Shares to Leytron Technology Pte Ltd at a premium of Rs. 7.50 per Share on the grounds of non performance of their obligations under the Master Services Agreements signed with them for setting up the E Waste Recycling Plant in India.

Further to this arbitration proceedings have been initiated against them.

Regarding the trade receivables the management is hopeful of recovering the amount from debtors and hence no provision has been made.

## **19) SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Parameshwar G Bhat, Bangalore, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor in the form of MR-3 is annexed to this Report as **Annexure III.**

**Explanations by the Board on the comments of Secretarial Auditors:**

<b>Sl. No.</b>	<b>Qualifications made by Secretarial Auditor</b>	<b>Explanations by the Board</b>
a.	Delay in filing FCGPR for allotment of shares on conversion of FCCBs	Delay is on account of FIRC being not received in time from the Bankers.
b.	Corporate Office has not been registered under the Shops and Establishments Act	Subsidiary Company Cerebra LPO India Limited is registered in the same premises and the Company utilizes this office as Corporate Office. The said Subsidiary is registered under the said Act.
c.	The Company had obtained FIPB approval for allotment of shares to Restorer Corp PTE Limited (Formerly known as Scenic Overseas (S) PTE Limited), Leytron Technology PTE Limited and Cimelia Resource PTE Limited.in relation to the business of extraction of precious and non precious metals and plastic through E-waste Manufacturing & Recycling; however, the Company has mentioned in the FCGPR filed belatedly as Electronic Manufacturing Services (EMS) and IT Solutions (NIC – 2620). Hence, RBI sought clarifications on the same and the Company had replied for the same. The RBI had not issued the acknowledgement for the same till date.	Suitable reply has been submitted to RBI.
d.	There were some instances of delay in filing ECB 2 returns.	The Company will ensure filing of ECB 2 returns within the prescribed time limit.

**20) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:****(A) Conservation of energy:**

	Steps taken / impact on conservation of energy,	The Company's operations are not power intensive. Nevertheless, your Company has introduced various measures to conserve and minimize the use of energy wherever it is possible.
(i)	Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(ii)	Capital investment on energy conservation equipment	Not Applicable
	Total energy consumption and energy consumption per unit of production as per Form A	Not Applicable

**(B) Technology absorption:**

	Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Not Applicable
	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	Technology imported	Not Applicable
	Year of Import	Not Applicable
	Has technology been fully absorbed	Not Applicable
	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	Not Applicable

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**(C) Research and Development (R&D)**

	Specific areas in which R & D carried out by the company	The Company has not carried out any research and development work during the course of the year.
	Benefits derived as a result of the above R & D	Not Applicable
	Future plan of action	Not Applicable
	Expenditure on R & D	
	(a) Capital	Nil
	(b) Recurring	Nil
	(c) Total	Nil
	(d) Total R & D expenditure as a percentage of total turnover	Nil

**(D) Foreign exchange earnings and Outgo**

	Activities relating to exports	Not Applicable
	Initiatives taken to increase exports	Not Applicable
	Development of new export markets for products and services	Not Applicable
	Export plans	Not Applicable
	Total Exchange used (Cash basis)	As on 31 <sup>st</sup> March, 2015: Rs. 93,42,153/-
	Total Foreign Exchange Earned (Accrual Basis)	As on 31 <sup>st</sup> March, 2015: Rs. NIL

**21) RATIO OF REMUNERATION TO EACH DIRECTOR:**

The Company had 26 employees as of March 31, 2015. Pursuant to Section 197(12) of the Companies Act, 2013 and Rule 5 (1) (2) (3) of the Companies (Appointment and Remuneration) Rules, 2014, details/disclosures of Ratio of Remuneration to each Director to the median employee's remuneration is annexed to this reportas **Annexure - IV**.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month as the case may be. Therefore statement/disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

**22) DEPOSITS:**

Your Company has not invited/accepted/renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March, 2015.

**23) SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

No order was passed by any court or regulator or tribunal during the period under review which impacts going concern status of the Company.

**24) DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company continued to maintain, high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid-down systems and policies are comprehensively and frequently monitored by your Company's management at all levels of the organization. The Audit Committee, which meets at-least four times a year, actively reviews internal control systems as well as financial disclosures with adequate participation, inputs from the Statutory, Internal and Corporate Secretarial Auditors.

**25) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013.

During the year under review, the Company has not given any Loan, Guarantees or made Investments within the meaning of Section 186 of the Companies Act, 2013.

**26) RISK MANAGEMENT POLICY:**

The Company has not yet formulated a Risk Management Policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and undertakes periodical review to ensure that executive management controls risk by means of a properly designed framework.

**27) CORPORATE SOCIAL RESPONSIBILITY POLICY :**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

**28) INDUSTRIAL RELATIONS:**

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

**29) RELATED PARTY TRANSACTIONS :**

There are no related party transactions during the year for disclosure.

**30) FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

As requisite and appropriate Management Discussion & Analysis is covered under this Report itself, a separate note on the same is not being furnished.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

**31) LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to NSE and BSE where the Company's Shares are listed.

**32) CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is attached to this report as **Annexure V**.

Certificate from the Practising Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**33) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

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No complaints pertaining to sexual harassment was reported during the year.

**34) FRAUD REPORTING (REQUIRED BY COMPANIES AMENDMENT BILL, 2014)**

**During the year under review, No fraud has been reported.**

**35) ACKNOWLEDGEMENTS:**

The Directors wishes to place on record their appreciation for the sincere and dedicated efforts of all employees. Your Directors would also like to thank the Shareholders, Bankers and other Business associates for their sustained support, patronage and cooperation.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14th August, 2015

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342

## Form No. MGT-9

Annexure I

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2015[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN:L85110KA1993PLC015091
- ii. Registration Date: 31<sup>st</sup> December, 1993
- iii. Name of the Company: Cerebra Integrated Technologies Limited
- iv. Category/Sub-Category of the Company: Company limited by shares and Indian Non Government Company
- v. Address of the Registered office and contact details:

**Registered Office Address:** S5, Off 3rd Cross, Peenya Industrial Area,  
Peenya I Stage, Bangalore -560 058

**Tel.:** 080-22046969

**Fax. :** 080-22046980

**Email:** investors@cerebracomputers.com

**Website:** www.cerebracomputers.com

- vi. Whether Listed Company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer:  
**Registrars:** Karvy Computershare Private Limited  
Karvy Selenium Tower B | Plot number 31 & 32 |  
Gachibowli Financial District |Nanakramguda | Serilingampally  
Hyderabad - 500032 | India  
**Tel.:** 91 40-67161564,  
**Fax. :** 91 40-23420814,  
Email: shobha.anand@karvy.com  
**Website:** www.karvycomputershare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Wholesale of computers, computer peripheral equipment and software	46511 46512	80%
2	Manufacture of desktop computers, laptop computers, hand-held computers (e.g. PDA), mainframe computers and computer servers	26201	10%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Cerebra LPO India Limited	U72200KA2008PLC047597	Subsidiary Company	70	2(87)(ii)
2	Geeta Monitors Private Limited	U31900KA1985PTC007050	Subsidiary Company	51	2(87)(ii)
3	Cerebra Middle East FZCO, Dubai, UAE	Foreign Company	Subsidiary Company	90	2(87)(ii)
4	Cerebra E Waste Recovery PTE Limited Singapore	Foreign Company	Subsidiary Company	100	2(87)(ii)

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## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual / HUF	3442982	0	3442982	7.16	3444137	0	3444137	4.08	-3.08
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any Other....									
<b>Sub-total (A) (1)</b>	<b>3442982</b>	<b>0</b>	<b>3442982</b>	<b>7.16</b>	<b>3444137</b>	<b>0</b>	<b>3444137</b>	<b>4.08</b>	<b>-3.08</b>
(2) <b>Foreign</b>									
a) NRIs -Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2)</b>	<b>3442982</b>	<b>0</b>	<b>3442982</b>	<b>7.16</b>	<b>3444137</b>	<b>0</b>	<b>3444137</b>	<b>4.08</b>	<b>-3.08</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3442982</b>	<b>0</b>	<b>3442982</b>	<b>7.16</b>	<b>3444137</b>	<b>0</b>	<b>3444137</b>	<b>4.08</b>	<b>-3.08</b>
<b>B. Public Shareholding</b>									
1. <b>Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FILs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2. <b>Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	16780563	0	16780563	34.89	16598501	0	16598501	19.68	-15.21
ii) Overseas	2300000	6900000	9200000	19.13	33686280	6900000	40586280	48.13	29.00
iii) Individuals									
iv) Individual share holders holding nominal share capital upto Rs. 1 lakh	4530251	289727	4819978	10.02	4959749	285927	5245676	6.22	-3.80
v) Individual share holders holding nominal share capital in excess of Rs 1lakh	13241396	48100	13289496	27.63	17664213	48100	17712313	21.00	-6.63
c) Others(specify)	550692	0	550692	1.15	440366	0	440366	0.52	-0.63
NRI	8971	0	8971	0.02	301689	0	301689	0.36	0.34
<b>Sub-total (B)(2)</b>	<b>37411873</b>	<b>7237827</b>	<b>44649700</b>	<b>92.84</b>	<b>73650798</b>	<b>7234027</b>	<b>80884825</b>	<b>95.92</b>	<b>3.08</b>
Total Public Share holding(B)= (B)(1)+(B)(2)	<b>37411873</b>	<b>7237827</b>	<b>44649700</b>	<b>92.84</b>	<b>73650798</b>	<b>7234027</b>	<b>80884825</b>	<b>95.92</b>	<b>3.08</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total(A+B+C)</b>	<b>40854855</b>	<b>7237827</b>	<b>48092682</b>	<b>100</b>	<b>77094935</b>	<b>7234027</b>	<b>84328962</b>	<b>100</b>	<b>0</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum bered to total shares	
1	V RANGANATHAN	734165	1.53	0	734165	0.87	0	-0.66
2	GURURAJA K UPADHYA	711796	1.48	0	711796	0.84	0	-0.64
3	P BHARATH	648616	1.35	0	648906	0.77	0	-0.58
4	P VISHWAMURTHY	647265	1.35	0	648130	0.77	0	-0.58
5	SHRIDHAR S HEGDE	660640	1.37	0	660640	0.78	0	-0.59
6	KRISHNAN P E	25100	0.05	0	25100	0.03	0	-0.02
7	PREETHI BHARATH	10000	0.02	0	10000	0.01	0	-0.01
8	PRIYA GURURAJA	3200	0.01	0	3200	0.00	0	0.00
9	SURESH KUMAR T S	2200	0.00	0	2200	0.00	0	0.00
<b>TOTAL</b>		<b>3442982</b>	<b>7.16</b>	<b>0</b>	<b>3444137</b>	<b>4.08</b>	<b>0</b>	<b>-3.08</b>

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3442982	7.16	3442982	7.16
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc) Transfer from DP holding account	1155	0.00	1155	0.00
	At the end of the year	<b>3444137</b>	<b>4.08</b>	<b>3444137</b>	<b>4.08</b>

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders (*)	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding at the end of the year i.e. 31st March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SPARROW ASIA DIVERSIFIED OPPORTUNITIES FUND	0	0%	6039380	7.16%
2	LEMAN DIVERSIFIED FUND	0	0%	6039380	7.16%
3	STREAM VALUE FUND	0	0%	6039380	7.16%
4	HESHIKA GROWTH FUND	0	0%	6039380	7.16%
5	DAVOS INTERNATIONAL FUND	0	0%	6039380	7.16%
6	SCENIC OVERSEAS(S) PTE LTD. SINGAPORE *	3600000	7.49%	3600000	4.27%
7	LEYTRON TECHNOLOGY PTE.LTD. SINGAPORE *	3300000	6.86%	3300000	3.91%
8	LPP DEVELOPERS PRIVATE LIMITED	2700000	5.61%	2700000	3.20%
9	CIMELIA RESOURCE RECOVERY PTE LTD *	2300000	4.78%	2300000	2.73%
10	KALISP REALTY PRIVATE LIMITED	2300000	4.78%	2250000	2.67%

\* Hon'ble Additional City Civil Court Bangalore, has issued an interim injunction order from exercising their rights of alienating, encumbering or creating any manner of charge or third party rights with regard to the allotment of these shares and further to this arbitration proceedings have been initiated against them.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Top 10 Shareholders (*)	Shareholding at the beginning of the year i.e. 1st April, 2014		Cumulative Shareholding at the end of the year i.e. 31st March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year  Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc)	3442982	7.16	3442982	7.16
	Transfer from DP holding account	1155	0.00	1155	0.00
	<b>At the End of the year</b>	3444137	<b>4.08</b>	3444137	4.08

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8,81,212	0	0	8,81,212
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>8,81,212</b>	<b>0</b>	<b>0</b>	<b>8,81,212</b>
Change in Indebtedness during the financial year				
• Addition	500000	25,16,00,000	0	25,21,00,000
• Reduction	0	0	0	
<b>Net Change</b>	<b>500000</b>	<b>25,16,00,000</b>	<b>0</b>	<b>25,21,00,000</b>
Indebtedness at the end of the financial year				
i) Principal Amount	11,52,943	25,16,00,000	0	
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not due	0	41,22,655	0	
<b>Total (i+ii+iii)</b>	<b>11,52,943</b>	<b>25,57,22,655</b>	<b>0</b>	<b>25,68,75,598</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		V Ranganathan	Shridhar S Hegde	P Vishwamurthy	
1	1. Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	12,00,000 72,000 0	12,00,000 72,000 0	12,00,000 72,000 0	36,00,000 2,16,000 0
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission - as % of profit - others, specify...	0	0	0	
5	Others, please specify	0	0	0	
	<b>Total (A)</b>	<b>12,72,000</b>	<b>12,72,000</b>	<b>12,72,000</b>	<b>38,16,000</b>
	Ceiling as per the Act				

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### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		NA	—	—	—	
1	Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul> <b>Total (1)</b>					
2	Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board / committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul> <b>Total (2)</b> Total (B)=(1+2) Total Managerial Remuneration Overall Ceiling as per the Act					

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		COO	Company Secretary	CEO	
1	1. Gross salary <ul style="list-style-type: none"> <li>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> <li>(b) Value of perquisites u/s 17(2) Income Tax Act, 1961</li> <li>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	1200000	58677	540000	1798677
		72000	3290	19440	94730
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>1272000</b>	<b>61967</b>	<b>559440</b>	<b>1893407</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			None		

**Annexure II**  
**Form Aoc-1**

(Pursuant to first proviso to sub Section (3) of section 129 read with Rule 5 of  
Companies (Accounts) Rules, 2014)

Statement containing salient feature of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures.

**Part "A" Subsidiaries**

(Information in respect of each Subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Name of the Subsidiaries			
		<b>Cerebra LPO India Limited</b>	<b>Geeta Monitors Private Limited</b>	<b>Cerebra Middle East FZCO, Dubai</b>	<b>Cerebra E Waste Recovery PTE Limited, Singapore</b>
1	Reporting period (if different from the holding company's reporting period)	31.3.2015	31.3.2015	31.3.2015	31.3.2015
2	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in case of foreign subsidiaries)	INR	INR	INR	INR
3	Share capital	500000	49999500	1223103	44
4	Reserves and surplus	15035189	53137592	53018763	1249814
5	Total assets	76070398	329674074	192243332	68641493
6	Total Liabilities	62742079	226536981	138001466	53929179
7	Investments	NIL	NIL	NIL	NIL
8	Turnover	18697003	578827976	795164766	NIL
9	Profit before taxation	(5167583)	8862621	30085003	(16667)
10	Provision for taxation	NIL	3008051	NIL	NIL
11	Profit after taxation	(5167583)	5854570	30085003	(16667)
12	Proposed Dividend	NIL	NIL	NIL	NIL
13	% of shareholding	70	51	90	100

**Note:** \*Geeta Monitors Private Limited ceased to be Subsidiary Company consequent upon the disinvestment of 51% stake w.e.f.1.7.2015.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14th August, 2015

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Whole Time Director  
DIN: 01247342

**Form No. MR-3****Annexure III****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

CEREBRA INTEGRATED TECHNOLOGIES LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cerebra Integrated Technologies Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Cerebra Integrated Technologies Limited for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vi) The Industry specific laws applicable to the Company are as follows:
  - a) The Information Technology Act, 2000
  - b) The Special Economic Zone Act, 2005
  - c) Policy relating to Software Technology Parks of India and its regulations
  - d) The Indian Copyright Act, 1957
  - e) The Patents Act, 1970
  - f) The Trade Marks Act, 1999

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I have further reviewed the systems and mechanism established by the Company for ensuring compliance under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and are categorized under the following major heads/groups:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation etc.;
3. Industrial (Development Regulation) Act, 1991;
4. Acts relating to consumer protection including the Competition Act, 2002;
5. Acts and Rules prescribed under prevention and control of pollution;
6. Acts and Rules relating to Environmental protection and energy conservation;
7. Acts and Rules relating to hazardous substances and chemicals;
8. Acts relating to Electricity, fire, petroleum, drugs, motor vehicles, explosives, Boilers, etc.;
9. Acts relating to protection of IPR;
10. Land revenue laws; and
11. Other local laws as applicable to various plants and offices.

I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (came into effect from 1<sup>st</sup> July, 2015; hence not applicable for the financial year ended 31.03.2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE), National Stock Exchange (NSE),

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable labour laws, environmental laws and other applicable laws as mentioned above. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Labour Laws were addressed suitably by the Management. Following observations have been brought before the shareholders which are treated as material in nature:

- a) *FCGPR for allotment of shares on conversion of FCCBs i.e. on 28.01.2015, filed belatedly.*
- b) *Corporate Office has not been registered under the Karnataka Shops and Establishments Act.*
- c) *The Company had obtained FPPB approval for allotment of shares to Restorer Corp PTE Limited (Formerly known as Scenic Overseas (S) PTE Limited), Leytron Technology PTE Limited and Cimelia Resource PTE Limited as part of the Master Services Agreements entered in to, with each of them and in relation to the business of extraction of precious and non precious metals and plastic through E-waste Manufacturing & Recycling; however, the Company has mentioned in the FCGPR filed belatedly as Electronic Manufacturing Services (EMS) and IT Solutions (NIC – 2620). Hence, RBI sought clarifications on the same and the Company has replied for the same. RBI had not issued the acknowledgement for the same till date.*
- d) *There were some instances of delay in filing ECB 2 returns.*

I further report that I have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

As per the information received from the Company Secretary, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the Company had allotted FCCBs during the year in compliance with the applicable laws and the part of the said FCCBs was converted in to Equity Shares during the year under scrutiny.

Place : Bangalore  
Date : 14th August 2015

(Parameshwar G. Bhat)  
ACS No.: 25167  
C P No.: 11004

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	<b>RATIO OF REMUNERATION</b>	<b>Annexure IV</b>
(i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	2:1
(ii)	the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	1. Mr. V Ranganathan Managing Director-0% 2. Mr. Shridhar S Hegde- Wholetime Director and CFO-0% 3. Mr. P Vishwamurthy -Wholetime Director - 0% 4. Ms. Nutan Soudagar, Company Secretary-NA
(iii)	the percentage increase in the median remuneration of employees in the financial year;	(1.80%)
(iv)	the number of permanent employees on the rolls of company;	As on 31.03.2015 29 members
(v)	the explanation on the relationship between average increase in remuneration and company performance;	Increased in remuneration is based on the industrial standard & experience of each employees
(vi)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration paid to Key Managerial person is based on remuneration policy of the company
(vii)	varyations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	There is no material variation in the share price
(viii)	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	This is as per the companies increment guideline
(ix)	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	This is as per the companies increment guideline
(x)	the key parameters for any variable component of remuneration availed by the directors;	Not Applicable
(xi)	the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii)	affirmation that the remuneration is as per the remuneration policy of the company.	Yes

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14th August, 2015

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director  
DIN: 01247342

**ANNEXURE TO THE BOARD'S REPORT  
REPORT ON CORPORATE GOVERNANCE  
MANDATORY REQUIREMENTS**

Annexure V

**1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.**

As reported in the last Annual Report, your Company has implemented and complied with the Corporate Governance Code recommended by the Securities and Exchange Board of India (SEBI). Your Company shall always be managed with the principles of Good Corporate Governance with a view to enhance overall Shareholder value and to run the business effectively to achieve its corporate objectives.

**2. BOARD OF DIRECTORS:**

a. The Company currently has 7 (Seven) Directors, including three Non-Executive and Independent Directors.

After due circulation of agenda and notes thereon, the Board of Directors have met at reasonable periods of intervals to transact business on various Board's functions, responsibilities and accountabilities. Compliances of various Laws and Regulations along with the Corporate Philosophy, goal, plans and strategies have been dwelt at length by the Board at its various proceedings.

The details of the Directors' attendance at the Meetings of the Board of your Company during the financial year end 31.03.2015 are given below:

<b>Sl. No.</b>	<b>Name Messrs</b>	<b>DIN</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings attended</b>	<b>Attended last AGM</b>
1.	V Ranganathan	01247305	Executive Director (Promoter Group)	Managing Director	8	8	Yes
2.	Shridhar S Hegde	01247342	Executive Director (Promoter Group)	Whole Time Director	8	8	Yes
3.	P Vishwamurthy	01247336	Executive Director (Promoter Group)	Whole Time Director	8	8	Yes
4.	Preethi Javali*	07157145	Non-Executive Director (Promoter Group)	Executive Director	8	-	NA
5.	Suresh Kumar TS	00674759	Non-Executive and Independent Director	Director	8	8	Yes
6.	P. E. Krishnan	01897686	Non-Executive and Independent Director	Director	8	8	Yes
7.	S Gopalakrishnan	01898255	Non-Executive and Independent Director	Director	8	8	Yes

\* Ms. Preethi Javali, was appointed as an Additional Director w.e.f 31<sup>st</sup> March, 2015, holds office up to the date of the ensuing Annual General Meeting; she is proposed to be appointed as Director of your Company.

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### **b. DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:**

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.

The Board of Directors duly met Eight (8) times during the year on 29<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, 16<sup>th</sup> December 2014, 19<sup>th</sup> December 2014, 28<sup>th</sup> January 2015, 14<sup>th</sup> February 2015 and 31<sup>st</sup> March 2015.

None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company.

### **3. AUDIT COMMITTEE:**

The Audit Committee is responsible for over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Committee also meets the management team and reviews the operations, new initiatives and performance of the business units. The minutes of the Audit Committee are circulated to the Board, discussed and taken note of.

The Audit Committee is comprised of the following Directors:

- |                          |            |
|--------------------------|------------|
| 1. Mr. S. Gopalakrishnan | - Chairman |
| 2. Mr. T.S. Suresh Kumar | - Member   |
| 3. Mr. P.E. Krishnan     | - Member   |

The Audit Committee met 5 (Five) times from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 on 29<sup>th</sup> May 2014, 14<sup>th</sup> August 2014, 14<sup>th</sup> November 2014, 19<sup>th</sup> December 2014 and 14<sup>th</sup> February 2015.

The details of attendance of the Meetings of the Audit Committee are as follows:

Sl. No.	Name	No. of Meetings attended during the year
1.	S Gopalakrishnan	5
2.	T.S. Suresh Kumar	5
3.	P.E. Krishnan	5

The Audit Committee reviewed the financial results, accounting and financial controls as well as policies and practices as also internal control and internal audit systems.

### **4. NOMINATION AND REMUNERATION COMMITTEE:**

The functions of Remuneration Committee are as follows:

- Formulation of criteria for persons to become Director and to senior management positions including KMPs and recommending to the Board for their appointments and removal.
- Continuous review and evaluation of the performance of the Board members.
- Broadly oversee the Administrative and Executive compensation programme.
- Any other functions as may be mandated by the Board or any Statutes or enactment.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives.

The Nomination and Remuneration Committee consists of the following Directors:

- |                          |            |
|--------------------------|------------|
| 1. Mr. S. Gopalakrishnan | - Chairman |
| 2. Mr. T.S Suresh Kumar  | - Member   |
| 3. Mr. P.E. Krishnan     | - Member   |

The Committee met 3 (Three) times from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 on 14<sup>th</sup> August, 2014, 19<sup>th</sup> December, 2014 and 14<sup>th</sup> February, 2015.

Sl. No.	Name	No. of Meetings attended during the year
1.	S. Gopalakrishnan	3
2.	T.S. Suresh Kumar	3
3.	P.E. Krishnan	3

Details of Remuneration of all Directors:

Sl. No.	Name	Designation	Salary(in Rs)	Sitting fee*
<b>Executive/Wholetime Directors</b>				
1.	V Ranganathan	Managing Director	1200000.00	NIL
3.	Shridhar S Hegde	Whole Time Director	1200000.00	NIL
4.	P Vishwamurthy	Whole Time Director	1200000.00	NIL
<b>Non Executive and Independent Directors</b>				
5.	Suresh Kumar TS	Director	NIL	NIL
6.	P. E. Krishnan	Director	NIL	NIL
7.	S Gopalakrishnan	Director	NIL	NIL

Note: No sitting fee was paid to the Directors.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The functions of Stakeholders' Relationship Committee are as follows:

- To look into the shareholders complaints, if any and to redress the same expeditiously.
- To approve the request for issue of duplicate share certificates and issue of certificates after split/consolidation.

The Stakeholders' Relationship Committee consists of the following:

- |                          |            |
|--------------------------|------------|
| 1. Mr. S. Gopalakrishnan | - Chairman |
| 2. Mr. TS Suresh Kumar   | - Member   |
| 3. Mr. P.E. Krishnan     | - Member   |

The Sub-Committee duly appointed by the aforesaid Committee met continuously to address the various issues relating to the investors, including non-receipt of Annual Reports, Dividend related issues, Change of addresses, transfers of shares, dematerialization and other related aspects. The Company has also continuously requisitioned the services of an independent Practicing Company Secretary to review the procedures followed by the RTA. No major grievance of any investor was pending as on 31.03.2015.

## 6. INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2015, *inter alia*, to discuss:

- Evaluation of the performance of the Non-Independent Directors and the Board as a whole,
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors ,
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors viz., Mr. S. Gopalakrishnan, Mr. T.S. Suresh Kumar and Mr. P.E. Krishnan were present at the Meeting.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company.

## **Annual Report 2014-2015**

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### **7. CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:**

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available on the website of the Company.

### **8. PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and the Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc.,

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Corporate Secretarial Department.

### **9. COMPLIANCE OFFICER AND ADDRESS FOR CORRESPONDENCE:**

During the year Ms. Nutan Soudagar, has been appointed as Company Secretary of the Company w.e.f. 9<sup>th</sup> January, 2015 and designated as Compliance Officer of the Company as per the Listing Agreement. Address of the Registered Office of the Company shall be the address for correspondence.

### **10. DETAILS OF ANNUAL GENERAL MEETING (AGM):**

Year	Date	Time	Location
2011-12	29.12.2012	11 AM	Registered Office of the Company
2012-13	31.12.2013	11 AM	Registered Office of the Company
2013-14	29.9.2014	10 AM	4 <sup>th</sup> Floor, Corporate Office of the Company

Particulars of Special Resolution passed in the last three AGMs are given below:

29.12.2012	1. Withdrawal of Power of Board to transfer any un subscribed warrants to any other interested investor.
31.12.2013	Nil
29.9.2014	1. Appointment of Mr. T. S. Suresh Kumar as an Independent Director. 2. Appointment of Mr. S. Gopalakrishnan as an Independent Director. 3. Issue of Global Depository Receipts (GDRs) /American Depository Receipts (ADRs) /Foreign Currency Convertible Bonds (FCCBs) / Equity Shares / Warrants and / or Instruments Convertible Into Equity Shares For an Aggregate sum up to US\$ 16 Million (Approximately Rupees 96 Crores). 4. Increase in Authorized Capital. 5. Alteration in Memorandum of Association. 6. Adoption of new set of Articles of Association.

There is 1(One) item which requires to be passed as a Special Resolution at the ensuing Annual General Meeting (AGM) to be held on 29<sup>th</sup> September, 2015.

### **11. MEANS OF COMMUNICATION:**

Quarterly/half yearly/annual financial results are forwarded to the Stock Exchanges, Published in Financial Express English and E Sanje Kannada News papers. The Company's financial results and shareholding pattern are also displayed in the Company's website. The Company does not make any representations to the Institutional investors or to the Analysts.

**12. DISCLOSURES:****SUBSIDIARY COMPANIES:**

The Company has following Subsidiaries:

- a) Cerebra LPO India Limited
- b) Geeta Monitors Private Limited\*
- c) Cerebra Middle East FZCO, Dubai
- d) Cerebra E Waste Recovery PTE Limited, Singapore

\*Geeta Monitors Private Limited ceased to be Subsidiary Company consequent upon the disinvestment proposed and approval of the Shareholders is sought.

The financials of the subsidiary Companies have been duly reviewed by the Audit Committee and the Board of the Holding Company. The Board minutes of the Unlisted Subsidiary Companies have been placed before the Board of the Holding Company. The Holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the Subsidiary Companies. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies as approved by the Board are disseminated in the website of the Company.

**RELATED PARTY TRANSACTIONS:**

Transactions with the related parties are disclosed in Note No. 29 (9) of Notes to Accounts in the Annual Report.

**CODE OF CONDUCT:**

The Company has adopted a Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Senior Management Team.

**REPORTING OF INTERNAL AUDITOR:**

The Internal Auditor duly appointed, reports to the Audit Committee.

**CEO AND CFO CERTIFICATION:**

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under clause 49(IX) of the Listing Agreement, for the period ended 31<sup>st</sup> March, 2015.

**COMPLIANCES:**

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters.

**13. GENERAL SHAREHOLDERS' INFORMATION:**

The following information would be useful to the Shareholders:

1. Annual General Meeting Date and Time: 29th September, 2015 at 10.00 AM
2. Financial Year: 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015
3. Book Closure Date: 29th September, 2015
4. Listing on Stock Exchange at:
  - a. BSE Limited
  - b. National Stock Exchange of India Limited (NSE)
5. Depositories:

National Securities Depository Limited  
Central Depository Services Limited  
Stock Code: BSE – 532413  
NSE: Cerebraint  
Demat arrangement with NSDL and CDSL: INE345B01019.

## **Annual Report 2014-2015**

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### **6. Registrars & Share Transfer Agents:**

Karvy Computershare Private Limited  
Karvy Selenium Tower B | Plot number 31 & 32 |  
Gachibowli Financial District |Nanakramguda | Serilingampally  
Hyderabad - 500032 | India  
Phone: 040 - 91 40-67161564 Fax 9140-23420814  
Email: shobha.anand@karvy.com

### **7. Stock Market Data:**

BSE Limited  
Scrip Code: 532413  
Company: CEREBRA INT

(in Rs.)

Month	Open Price	High Price	Low Price	Close Price
Apr 2014	9.1	9.39	7.5	7.55
May 2014	7.5	8.1	6.73	6.85
Jun 2014	7.08	8.1	5.7	6.29
Jul 2014	6.3	10.84	5.89	8
Aug 2014	9.49	9.49	6.4	8.21
Sept 2014	8.58	13.13	7.75	9.79
Oct 2014	9.89	10.2	7	7.79
Nov 2014	7.85	8.85	6.56	6.79
Dec 2014	6.99	11.73	6.46	10.11
Jan 2015	10	11.59	9.31	10.43
Feb 2015	9.76	11.9	9.3	9.55
Mar 2015	9.15	12	8.6	9.23

### **National Stock Exchange of India Limited, (NSE)**

CEREBRAINT

(in Rs.)

Month	Open Price	High Price	Low Price	Close Price
Apr 2014	6	11.4	5.85	8
May 2014	7.8	9.5	6.5	8.35
Jun 2014	8.2	13.1	7.55	9.65
Jul 2014	10	10.5	7.05	7.4
Aug 2014	7.75	8.5	6.55	6.85
Sept 2014	6.9	11.65	6.55	10.1
Oct 2014	10.2	11.3	9.15	10.5
Nov 2014	10.1	11.15	8.00	10
Dec 2014	9.25	11.7	8.35	9.5
Jan 2015	9.5	16.2	9.4	15.95
Feb 2015	16.5	18.75	15	16.2
Mar 2015	16.75	18.85	14.2	15.35

### **8. Share Transfer System:**

The Company in consultation with the RTA ensures that the transfers of shares in physical form and dematerialization take place well within the time limits.

**9. Distribution of Shareholding as at March 31, 2015:**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0-5000	5980	73.01	1009223	10092230	1.20
5001 - 10000	738	9.01	645670	6456700	0.77
10001 - 20000	460	5.62	751393	7513930	0.89
20001 - 30000	198	2.42	524785	5247850	0.62
30001 - 40000	106	1.29	387969	3879690	0.46
40001 - 50000	143	1.75	691079	6910790	0.82
50001 - 100000	202	2.47	1579282	15792820	1.87
100001 & Above	364	4.44	78739561	787395610	93.37
<b>TOTAL</b>	<b>8191</b>	<b>100.00</b>	<b>84328962</b>	<b>843289620</b>	<b>100.00%</b>

**10. Categories of Shareholding as at March 31, 2015:**

Category	No. of shares held	% of holding
<b>Promoters Holding:</b>		
i. Indian Promoters	3444137	4.08
ii. Foreign Promoters		
<b>Sub Total</b>	<b>3444137</b>	<b>4.08</b>
<b>Non-Promoters Holding:</b>		
i. Mutual Fund and UTI		
ii. Banks, Financial Institutions and Insurance Companies		
iii. Bodies Corporate		
a. Indian	16598501	19.68
b. Foreign	31386280	37.22
iv. Indian Public	22957989	27.22
v. NRIs/OCBs	440366	0.52
vi. Foreign Collaborators	9200000	10.91
vi. Others –		
Clearing Members	301689	0.36
<b>Sub Total</b>	<b>80884825</b>	<b>95.92</b>
<b>Grand Total</b>	<b>84328962</b>	<b>100</b>

**11. Dematerialization of shares and liquidity as at 31-03-2015:**

**Control Report as on 31-03-2015**

Description	No of Holders	Shares	% To Equity
PHYSICAL	1604	7234027	8.58
NSDL	4462	64948249	77.02
CDSL	2125	12146686	14.40
<b>Total:</b>	<b>8191</b>	<b>84328962</b>	<b>100.00</b>

Comparative position as on 31-03-2015

Description	No of Holders	Shares	% To Equity
PHYSICAL	1604	7234027	8.58
ELECTRONIC FORM	6587	77094935	91.42
<b>Total:</b>	<b>8191</b>	<b>84328962</b>	<b>100.00</b>

## **Annual Report 2014-2015**

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12. Number of days taken for dematerialization: 15 Days from the date of Physical documents received

13. Dematerialization request from 01-04-2014 to 31-03-2015:

Sl. No	Depositories	No. of Cases	No. of Shares	% of Shares
1.	NSDL	15	36237380	42.97
2.	CDSL	13	2700	0.00

**14. Postal Ballot:**

No Resolution was passed during the year attracting Postal Ballot and no resolution attracting Postal Ballot is recommended at this meeting.

**15. Report on Corporate Governance:**

This report together with the information given in Directors Report constitutes a detailed compliance report on Corporate Governance during the current year.

16. Disclosures regarding suspense account pursuant to SEBI circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009:

As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus Shares etc., which are to be credited to the Demat Suspense Account. This being the first year after the circular coming into force from April 2009, your Company is taking steps to streamline all the requirements.

**Plant Locations:**

S5, Off 3rd Cross, Peenya Industrial Area,

Peenya I Stage, Bangalore -560 058

Phone: 28370282/84

**Address for correspondence:**

Cerebra Integrated Technologies Limited

S5, Off 3rd Cross, Peenya Industrial Area,

Peenya I Stage, Bangalore -560 058

**Tel.:** 080-22046969

**Fax. :** 080-22046980

**Email:** investors@cerebracomputers.com

**Website:** www.cerebracomputers.com

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14th August, 2015

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director  
DIN: 01247342

**Certification by CEO (Managing Director)**

We, V. Ranganathan, Managing Director and Shridhar S Hegde, Wholetime Director and Chief Financial Officer of Cerebra Integrated Technologies Limited, certify that;

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements give a true and fair view of the state of affairs of the company and the results or operations and cash flows. These statements have been prepared in conformity in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by
  - a. The Company during the year, which are fraudulent, illegal and violative of the Company code of conduct.
3. We accept overall responsibility for the Company's internal control system for financial reporting. The Auditors and Audit Committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and Audit Committee
  - a. Any significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year.
  - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such instances.

For and on behalf of Cerebra Integrated Technologies Limited

Place : Bangalore  
Date : 14th August, 2015

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director and  
Chief Financial Officer  
DIN: 01247342

**CERTIFICATE**

**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS.**

To  
The Members of  
Cerebra Integrated Technologies Limited  
Bangalore

I have examined the compliance of the conditions of Corporate Governance by Cerebra Integrated Technologies Limited for the period ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investors' grievances received during the period ended 31<sup>st</sup> March, 2015, no investor grievances are pending against the Company as on year ended 31<sup>st</sup> March, 2015, as per the records maintained by the Company and presented to the Share Transfer/Stakeholders' Relationship Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bangalore  
Date : 14<sup>th</sup> August, 2015

**Vijayakrishna K T**  
Practising Company Secretary  
FCS-1788 CP-980

**Forward looking statement**

In this annual report, we have mentioned certain forward looking information to enable investors to comprehend our business model and future prospects and make informed investment decisions. This annual report and other communications from us, oral or written, may include certain forward looking statements that set out certain anticipated results based on management's assumptions and plans. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realized. We undertake no obligation to update forward looking statements. The achievement of results is subject to various risks, known and unknown. We request readers to bear this in mind while reading this report.

# **Annual Report 2014-2015**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **CEREBRA INTEGRATED TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss for the year and its cash flows for the year ended on that date.

### **Emphasis of Matters**

Without qualifying our report, we draw attention to the following matters in the Notes to the financial statements:

- a. *Share application Money and advance to a wholly owned subsidiary amounting to Rs. 6,73,91,635/- (refer Note 29(11) to account) utilized towards payment of initial deposit for acquisition of company which was aborted subsequently.*
- b. *Capital advances amounting to Rs. 16,98,48,000 (refer Note 29(12) and Trade receivables and advances amounting to Rs. 21,35,10,773 (refer note 29(13) to accounts) outstanding for substantial period, pending recovery/adjustments.*

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our Information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts except on matters stated in emphasis of matter paragraph above.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Ishwar & Gopal,  
Chartered Accountants,  
Firm's Registration Number: 001154S

K V Gopalakrishnayya  
Partner  
Membership Number: 021748  
Place : Bangalore  
Date : 29.05.2015

[Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.
- b. As explained to us, all the fixed assets were physically verified by the Management in during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. a. As explained to us, inventories were physically verified during the year by the Management at reasonable intervals
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of the business;
- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories, compared to the book records.
- iii. The Company has granted interest free unsecured advances to four subsidiaries covered in the register maintained under Section 189 of the Act. The maximum amount involved at any time during the period was Rs. 14,52,72,145/- and period end balance was Rs. 14,26,87,142/-
  - a. As per the information and explanation given to us, there are no terms and conditions attached to these advances. Hence we are not able to express an opinion as to whether the receipt of principal and interest are regular.
  - b. In respect of the aforesaid loans, we are not able to express an opinion as to whether reasonable steps have been taken by the Company for recovery of principal and interest;
- iv. In our opinion and according to the information and explanations given to us, the internal control procedures need to be strengthened to make it commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. The Company has not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2015 is not applicable to the Company during the year under review.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act for the products of the Company.
- vii. a. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except for income tax, value added tax and excise duty given below:

The amounts outstanding statutory dues of income tax and excise duty, as at the last day of the financial year for a period of more than six months from the date they became payable are as follows

Name of the Statute	Nature of Dues	Amounts in INR	Period to which it relates	Due Dates	Date of Payment
Income Tax Act 1961	Income tax	8,99,914	2001-02	Various dates	Not paid as on the date of this report
Central Excise Act,1944	Excise duty	28,09,259	2002-03	Various dates	Not paid as on the date of this report

## **Annual Report 2014-2015**

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- b. According to the information and explanation given to us, there are no disputed dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute.
- c. According to the information and explanation given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- viii. The accumulated losses of the Company did not exceed 50% of the net worth of the Company at the end of the financial period. The Company has incurred cash losses during the financial period covered by our audit and has not incurred cash loss in the immediately preceding financial period.
- ix. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company did not have any dues to financial institutions & debenture holders.
- x. As far as we could ascertain, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- xi. In our opinion and according to the information and explanation given to us the term loans were applied for the purpose for which the loan was obtained.
- xii. According to the information and explanations given to us, no frauds on or by the Company that causes material misstatements to financial statements have been noticed or reported during the period.

For Ishwar & Gopal,  
Chartered Accountants,  
Firm's Registration Number : 001154S

K V Gopalakrishnayya  
Partner  
Membership Number: 021748  
Place : Bangalore  
Date : 29.05.2015

# CEREBRA INTEGRATED TECHNOLOGIES LIMITED

## BALANCE SHEET AS AT 31st March 2015

Amounts in INR

Particulars	Note No.	As at 31- March-2015		As at 31- March-2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
a. Share Capital	3	84,33,91,120		48,10,28,320	
b. Reserves and Surplus	4	41,58,10,970		40,82,48,416	
c. Money received against share warrants		-	1,25,92,02,090	-	88,92,76,736
<b>Non-current liabilities</b>					
a. Long Term borrowings	5	25,24,76,950		5,32,083	
b. Long term provisions	6	21,92,071	25,46,69,021	17,79,365	23,11,448
<b>Current Liabilities</b>					
a. Trade payables	7	30,14,62,257		50,02,01,717	
b. Other Current liabilities	8	1,68,10,797		1,18,77,649	
c. Short term provisions	9	11,38,627	31,94,11,681	27,49,318	51,48,28,683
<b>TOTAL</b>			<b>1,83,32,82,792</b>		<b>1,40,64,16,867</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
a. Fixed Assets					
Tangible Assets	10	5,97,65,128		6,57,57,932	
b. Non-current investments	11	4,42,90,417		4,42,90,417	
c. Long term loans & advances	12	39,62,46,161		39,93,83,369	
d. Other non current assets	13	1,65,100	50,04,66,806	1,65,100	50,95,96,818
<b>Current Assets</b>					
a. Current Investments	14	-		2,93,223	
b. Inventories	15	2,02,61,647		1,07,99,418	
c. Trade receivables	16	59,02,72,147		76,37,72,000	
d. Cash & Cash equivalents	17	63,42,95,895		1,47,10,198	
e. Short term loans & advances	18	7,84,36,483		9,78,46,610	
f. Other Current assets	19	95,49,813	1,33,28,15,985	93,98,600	89,68,20,049
<b>TOTAL</b>			<b>1,83,32,82,792</b>		<b>1,40,64,16,867</b>
Corporate information, Significant accounting policies and other explanatory information	1, 2 & 29				

As per our Report of even date:

For Ishwar & Gopal,  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
 Partner  
 Membership No : 021748  
 Firm registration No : 001154S

**V Ranganathan**  
 Managing Director  
 DIN: 01247305

**Shridhar S Hegde**  
 Wholetime Director & CFO  
 DIN: 01247342

**Nutan Soudagar**  
 Company Secretary

Place : Bangalore  
 Date : 29.05.2015

## **CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

### **Statement of Profit and Loss for the Year ended 31st March, 2015**

Particulars	Note No.	For the year ended 31- March-2015	For the period ended 31- March-2014 (6 months)	Amounts in INR
Income:				
Revenue from operations	20	1,29,81,95,015	61,16,84,228	
Other Income	21	18,59,406	14,77,678	
Total Revenue		1,30,00,54,422	61,31,61,906	
Expenses:				
Cost of materials consumed	22	53,39,249	8,84,659	
Purchase of Stock-in-Trade	23	1,26,17,25,904	59,42,62,444	
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	24	(56,60,690)	-	
Employee benefits expense	25	1,15,14,649	61,51,775	
Financial costs	26	47,73,047	4,33,507	
Depreciation and amortization expense	27	41,05,378	9,61,215	
Other expenses	28	2,58,75,043	1,04,15,643	
Total Expenses		1,30,76,72,580	61,31,09,243	
Profit before tax		(76,18,158)	52,663	
Tax expense / (Credit):				
Current tax		-	6,17,549	
MAT Credit Entitlement		-	(6,17,549)	
Profit after Tax for the Year		(76,18,158)	52,663	
Earning per equity share of Rs 10/ each				
(1) Basic		(0.14)	0.00	
(2) Diluted		(0.12)	0.00	
Corporate information, Significant accounting policies and other explanatory information	1, 2 & 29			

As per our Report of even date:

For Ishwar & Gopal,  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No : 021748  
Firm registration No : 001154S

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director & CFO  
DIN: 01247342

**Nutan Soudagar**  
Company Secretary

Place : Bangalore  
Date : 29.05.2015

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED****Cash Flow Statement for the Year ended March 31, 2015**

Amounts in INR

Particulars	Year ended 31- March-2015	Period ended 31- March-2014
<b>A. Cashflow from operating activities</b>		
Net Profit before tax and extraordinary items	(7,618,158)	52,663
Adjustments for:		
Depreciation (net)	4,105,379	961,215
Interest expenditure	4,773,047	433,507
Interest income	(832,409)	(421,207)
Dividend Income	(4,809)	(8,863)
Excess/Unclaimed credit withdrawn	(725,186)	
Loss on discard of fixed assets	1,817,733	9,133,754
Operating Profit /(Loss) before working capital changes		194,270
	1,515,596	7,006,907
Adjustment for changes in :		
Increase in Inventories	(9,462,229)	(711,716)
Decrease in Trade & other receivables	196,189,197	(382,155,210)
Decrease in Trade & Other Payable	(196,771,879)	406,774,396
	(10,044,910)	23,907,470
Cash generated from operations	(8,529,314)	30,967,040
Income tax paid (net)	(1,629,886)	(7,367,387)
Net Cash flow before extraordinary items		(10,159,200)
<b>Net cashflow from Operating Activities</b>		23,599,653
	(10,159,200)	23,599,653
<b>B. Cash Flow from Investing activities</b>		
Interest Income	832,409	1,339,217
Dividend income	4,809	-
Purchase of fixed assets including capital WIP & capital advances	(634,563)	(19,270,190)
Sale of fixed assets	644,989	-
<b>Net cash used in Investing Activities</b>	847,644	(17,905,973)
<b>C. Cashflow from Financing Activities</b>		
Decrease In short term advance		(30,420,833)
Increase in Share Capital	362,362,800	
Share premium received	18,118,140	
Issue expenses	(2,878,163)	
Increase in borrowings	251,944,867	(172,810)
Interest paid	(650,392)	(433,507)
<b>Cash generated from financial Activities</b>	628,897,252	(31,027,150)
Net Increase / (Decrease) in		
Cash & Cash equivalents (A+B+C)	619,585,696	(25,333,470)
Cash & Cash equivalents		
Opening Balance	14,710,198	40,043,668
Closing Balance	634,295,895	14,710,198
Net Increase / (Decrease) in		
Cash and Cash equivalents	619,585,696	(25,333,470)

As per our Report of even date:

For and on behalf of the Board

For Ishwar&Gopal,  
Chartered Accountants**K.V.Gopalakrishnayya**

Partner

Membership No : 021748

Firm registration No : 001154S

Place : Bangalore

Date : 29.05.2015

**V Ranganathan**

Managing Director

DIN: 01247305

**Shridhar S Hegde**

Wholetime Director &amp; CFO

DIN: 01247342

**Nutan Soudagar**

Company Secretary

## **1. CORPORATE INFORMATION:**

Cerebra Integrated Technologies Limited (the Company) was incorporated under the Companies Act, 1956 with registered office at Bangalore, India. The company is listed on Bombay Stock Exchange & National Stock Exchange.

The company is engaged in Manufacturing, Trading of Computer Systems, and Peripherals. The company is also in to the business of providing I T Services and e-Waste management.

## **2. A. SIGNIFICANT ACCOUNTING POLICIES:**

### **a) SYSTEM OF ACCOUNTING:**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI).The accounting policies have been consistently applied by the Company except to the extent of deviations specifically stated. The financial statements are prepared in Indian Rupees.

### **b) USE OF ESTIMATES:**

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

### **c) TANGIBLE ASSETS, INTANGIBLE ASSETS AND CAPITAL WIP:**

Tangible Assets are stated in the accounts at historical cost together with all costs directly attributable to their acquisition less accumulated depreciation and impairment if any.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment if any.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

### **d) DEPRECIATION:**

Effective 1st April 2014, the company depreciates its fixed asset over the useful life in the manner prescribed in schedule II of the Companies' Act, 2013, under straight line method as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies' act 1956. Depreciation on addition / deletion during the year is provided on pro-rata basis.

Individual assets purchased / installed during the year costing less than Rs. 5000/- have been fully depreciated in the year of purchase.

Depreciation on computer software is provided over the period of six years.

### **e) INVESTMENTS:**

Long term investments are stated at cost less diminution other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price / market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **f) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:**

#### **i. Short term employee benefits:**

All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

**ii. Post employee benefits:**

Defined Contribution plans: The state governed provident fund scheme, and insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

Defined benefits Plans: The employee gratuity fund scheme is a defined benefit plan. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

**g) REVENUErecognition:**

- i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.
- ii. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

**h) INVENTORY:**

Inventories are valued at lower of cost or net realizable value and cost is determined on FIFO basis.

**i) FOREIGN CURRENCY TRANSACTIONS:**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

**j) ACCOUNTING FOR CLAIMS & CONTINGENCIES:**

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard. As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

**k) IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

**i) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**m) Taxes:**

**Income tax:**

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

**Deferred tax:**

Deferred tax asset are not recognized in view of prudence in respect of unabsorbed losses / depreciation and other benefits as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**n) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

**o) Issue Expenses:**

Expenses on issue of FCCB is set off against share premium.

## Notes to the Financial Statements

Amounts in INR

Note No.	Particulars	As at 31-March-2015		As at 31-March-2014	
		Number	Amount in INR	Number	Amount in INR
3	<b>Share Capital</b>				
	<b>Authorised</b>				
a	Equity Shares	110,200,000	1,102,000,000	50,200,000	502,000,000
b	Issued	84,339,112	843,391,120	48,092,682	480,926,820
	Equity Shares				
	<b>Subscribed and fully paid up</b>				
	Equity Shares	84,328,962	843,289,620	48,092,682	480,926,820
	Add: Forfeited Shares- originally paid for 20300 shares		101,500		101,500
	<b>Total</b>		<b>843,391,120</b>		<b>481,028,320</b>

c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Oustanding at the beginning of the period	48,092,682	480,926,820	48,092,682	480,926,820
Issued during the period	36,236,280	362,362,800	-	-
Outstanding at the end of the period	84,328,962	843,289,620	48,092,682	480,926,820

d Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.

During the year, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

e Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without paying received in cash

f Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Restorer Corp Pte Ltd, formerly kown as Scenic Overseas(s) Pte Ltd, singapore	36,00,000	4.27%	36,00,000	7.49%
Leytron Technology Pte Ltd, Singapore	3,300,000	3.91%	3,300,000	6.86%
LPP Developers Private Limited	2,700,000	3.20%	2,700,000	5.61%
Sparrow Asia Diversified Opportunities Fund	6039380	7.16%	-	-
Leman Diversified Fund	6039380	7.16%	-	-
Stream Value Fund	6039380	7.16%	-	-
Heshika Growth Fund	6039380	7.16%	-	-
Davos International Fund	6039380	7.16%	-	-

#### 4 RESERVES & SURPLUS

Capital Reserve

Balance as per last financial statement	22,677,225	14,008,622
Add : Forfeiture of warrant application money received	-	8,668,603
Balance as at the end of the year	22,677,225	22,677,225

Securities Premium Account

Balance as per last financial statement	563,652,876	563,652,876
Add: Received during the year	18,118,140	-
Less: Issue expenses	(2,878,163)	-

Balance as at the end of the year

	578,892,854	563,652,876
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per last financial statement	(178,081,685)	(178,134,349)

Add: (Less) Adjustment related to fixed assets	(59,265)	
Profit for the year	(7,618,158)	52,663
Net surplus / (Deficit) in statement of Profit & Loss	(185,759,109)	(178,081,685)

Total Reserves & Surplus	415,810,970	408,248,416
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## Notes to the Financial Statements

Note No.	Particulars	As at 31-March-2015	As at 31-March-2014
<b>5 LONG TERM BORROWINGS</b>			
	Term Loans		
	Foreign currency convertible Bond - Unsecured	251,600,000	
	- From Banks - Secured	1,152,943	881,212
	Less: Instalments of term loan payable within a year considered as current liabilities	<u>(275,993)</u>	<u>(3491,29)</u>
	Net Long term borrowings	<u>252,476,950</u>	<u>532,083</u>
g.	Foreign Currency Convertible Bond - unsecured		
	The company has allotted 5.34% interest bearing Foreign Currency Convertible Bond (Dollar bonds), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time up to 14th December 2019 into equity Shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs 63.4135 , with a fixed rate of exchange on conversion of Rs 63.4135 per USD		
	During the financial year ended 31 march 2015 the company has converted 60,00,000 Dollar bonds into 3,62,36,280 equity Shares of 10.5 (including premium of Rs. 0.5 ) per Share at a conversion rate of Rs 63.3415 per USD.		
	Unless the bonds have been previously redeemed, repurchased and cancelled or converted, the company will redeem the bonds on the maturity date at 100% of the principal amount of the Bonds.		
	As at 31st March 2015 40,00,000 Dollar bonds are outstanding.		
h.	Term loan from banks is secured by hypothecation of vehicles		
	Schedule of repayment of loan is as under		
	Year	Amount in INR	
	2015-16	275,993	
	2016-17	238,627	
	2017-18	271,197	
	2018-19	128,296	
	2019-20	81,660	
	2020-21	91,019	
	2021-22	66,151	
<b>6 LONG TERM PROVISIONS</b>			
	Provision for		
	- Gratuity	2,019,568	1,671,557
	- Leave Benefits	<u>172,503</u>	<u>107,808</u>
		<u>2,192,071</u>	<u>1,779,365</u>
<b>7 TRADE PAYABLES</b>			
	Due to Micro, Small and Medium Enterprises		
	Due to other than Micro, Small and Medium Enterprises	299,900,161	497,038,259
	Dues to a Subsidiary	<u>1,562,096</u>	<u>3,163,458</u>
		<u>301,462,257</u>	<u>500,201,717</u>
<b>8 OTHER CURRENT LIABILITIES</b>			
	Current maturities of long term debts	275,993	349,129
	Interest accrued but not due on borrowings	4,122,655	
	Advances from Customers	647,305	586,725
	Statutory Liabilities	3,336,467	3,428,072
	Liabilities for expenses	7,458,714	5,433,145
	Due to directors	<u>969,663</u>	<u>2,080,577</u>
		<u>16,810,797</u>	<u>11,877,649</u>
<b>9 SHORT TERM PROVISIONS</b>			
	Provision for		
	- Bonus	134,755	119,013
	- Gratuity	78,488	83,019
	- Leave Benefits	25,470	17,486
	- Income Tax (Net of Advance Tax)	<u>899,914</u>	<u>2,529,800</u>
		<u>1,138,627</u>	<u>2,749,318</u>

## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

## Note No 10 TANGIBLE ASSETS

Amounts in INR

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2014	Additions	Withdrawn	Deletions	As at 31.03.2015	As at 01.04.2014	For the year	Deletions	Withdrawn	Transferred to retained earnings
i	Land	200,900	-	-	-	200,900	-	-	-	-	200,900
ii	Lease hold land	50,639,394	-	-	-	50,639,394	-	-	-	-	50,639,394
iii	Factory Building	4,638,18	-	-	-	4,638,187	2,018,711	154,336	-	(1,545)	2,174,612
iv	Plant & Machinery	23,342,854	0	-	-	23,342,854	16,009,865	5,169,626	-	2,483,467	18,696,024
v	Computer/ Printers/ Software	2,689,155	38,508	3	1,167,403	1,560,257	1,772,924	841,043	1,167,403	9,772	59,267
vi	Vehicles	2,251,686	584,655	-	468,168	2,368,173	1,045,746	273,932	468,168	89,915	-
vii	Furniture & Fixtures	2,145,096	20	2,145,076	-	565,736	18,833	559,738	24,822	-	0
viii	Electrical Installations	1,449,366	11,400	1	963,158	497,607	185,724	253,820	85,788	(200)	353,955
<b>TOTAL</b>		87,356,838	634,563	24	4,743,805	83,247,372	21,598,706	6,711,610	2,281,087	2,606,232	59,267
Previous Period		99,597,089	22,629		12,263,080	87,356,638	32,706,301	981,215	12,068,840		21,598,706
											66,890,788

**Notes to the Financial Statements**

Note No.	Particulars	As at 31-March-2015	As at 31-March-2014
<b>11 NON CURRENT INVESTMENTS</b>			
a.	Investment in subsidiaries [Trade]		
	Cerebra LPO India Limited		
	35,000 (35,000) Equity Shares of Rs. 10 each	350,000	350,000
	Geeta Monitors Private Limited		
	25,49,975 (25,49,975) Equity Shares of Rs. 10 each	42,839,580	42,839,580
	Cerebra Middle East FZCO		
	9 (9) Shares of par value AED 10,000 each	1,100,793	1,100,793
	Cerebra Singapore E-waste		
	1 (1) Share at Par value of SGD 1	44	44
b.	Investment in other equity instruments [ Non Trade]		
	Sankhya Infotech Limited		
	200 (200) Equity Shares of Rs. 10 each	2,000	2,000
	Less : Provision for dimunition	2,000	2,000
		<u>44,290,417</u>	<u>44,290,417</u>
<b>12 LONG TERM LOANS AND ADVANCES</b>			
	Capital Advances	311,387,732	308,226,567
	Advance to a Subsidiary	53,929,179	53,929,179
	Share Application Money Pending Allotment	13,462,456	13,462,456
	Security Deposits Considered Good	2,661,666	3,490,850
	Other Loans & Advances	<u>14,805,128</u>	<u>20,274,317</u>
		<u>396,246,161</u>	<u>399,383,369</u>
<b>13 OTHER NON CURRENT ASSETS</b>			
-	Times Shares	<u>165,100</u>	<u>165,100</u>
		<u>165,100</u>	<u>165,100</u>
<b>14 CURRENT INVESTMENTS</b>			
	Investments in Mutual Funds		
	LIC MF Savings Plus Fund		
	Nil (25,135.226) units of Rs. 10.0118	<u>-</u>	<u>293,223</u>
		<u>-</u>	<u>293,223</u>
	Aggregate Net Asset Value of NAV of investment in Mutual Funds	<u>-</u>	<u>293,397</u>
<b>15 INVENTORIES</b>			
	Raw Materials	14,453,218	10,651,679
	Stock in Trade	<u>5,808,429</u>	<u>147,739</u>
		<u>20,261,647</u>	<u>10,799,418</u>
<b>16 TRADE RECEIVABLES</b>			
[ Unsecured ]			
	Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
	Considered Good	58,0390,777	761,005,665
	Others	<u>9,881,370</u>	<u>2,766,335</u>
		<u>590,272,147</u>	<u>763,772,000</u>
<b>17 CASH AND CASH EQUIVALENTS</b>			
	Cash in Hand	169,322	346,882
	Foreign Currency on hand	138,977	145,912
	Cheques in Hand	2,765,000	-
	Balance with banks		
- in Current Account		622,295,914	5,981,534
- in Deposit Account		8,926,682	1,132,682
- in Margin deposit Account		<u>-</u>	<u>7,103,188</u>
		<u>634,295,895</u>	<u>14,710,198</u>

## Notes to the Financial Statements

Note No.	Particulars	As at 31-March-2015	As at 31-March-2014
<b>18 SHORT TERM LOANS AND ADVANCES</b>			
	[Considered Good]		
	Advance to Subsidiaries	75,295,506	95,164,605
	Other Loans & Advances		
	Prepaid Expenses	150,146	154,298
	Advance to Suppliers	81,647	535,511
	Balance with statutory / Government authorities	2,902,185	1,989,490
	Advance to employees	7,000	2,706
		<u>78,436,483</u>	<u>97,846,610</u>
<b>19 OTHER CURRENT ASSETS</b>			
	MAT Credit Entitlement	9,166,429	9,166,429
	Interest accrued but not due on deposits	383,384	232,171
		<u>9,549,813</u>	<u>9,398,600</u>
<b>20 Revenue from Operations</b>			
	Sale of Products	1,294,740,609	609,784,118
	Sale of Services	5,071,594	2,801,080
	Revenue from operations (Gross)	<u>1,299,812,203</u>	<u>612,585,198</u>
	Less: Excise Duty	1,617,188	900,970
	Revenue from operations (Net)	<u>1,298,195,015</u>	<u>611,684,228</u>
	Details of Sales		
	Revenue from Trading of Computers & Accessories	1,289,827,020	608,522,619
	Sale of refurbished e-Waste	4,913,589	1,261,499
		<u>1,294,740,609</u>	<u>609,784,118</u>
	Details of Services Rendered		
	Sale of Software Services	5,071,594	2,801,080
		<u>5,071,594</u>	<u>2,801,080</u>
<b>21 Other Income</b>			
	Interest on Bank Deposits	832409	421,207
	Dividend on Current Investments	4,809	8,863
	Excess Provision / (Unclaimed Credit) Withdrawn	725,186	819,832
	Others	297,002	227,776
		<u>1,859,406</u>	<u>1,477,678</u>
<b>22 Cost of materials consumed</b>			
	Consumption	<u>5,339,249</u>	<u>884,659</u>
<b>23 Purchase of Stock-in-Trade</b>			
	Purchase of Goods	<u>1,261,725,904</u>	<u>594,262,444</u>
		<u>1,261,725,904</u>	<u>594,262,444</u>
<b>24 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>			
	Opening stock of Traded Goods	147,739	147,739
	Less: Closing stock of Traded Goods	5,808,429	147,739
	Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	<u>(5,660,690)</u>	<u>-</u>

## Notes to the Financial Statements

Note No.	Particulars	As at 31-March-2015	As at 31-March-2014
<b>25 Employee Benefit Expenses</b>			
	Salaries and Wages	10,587,803	5,625,291
	Contribution to Provident & Other Funds	612,409	319,667
	Staff Welfare expenses	314,437	206,817
		<u>11,514,649</u>	<u>6,151,775</u>
<b>26 Financial Costs</b>			
	Interest on Bonds	4,122,655	
	Interest Others	117,864	61,794
	Interest on Income Tax	153,556	-
	Other Borrowing Costs	378,972	371,713
		<u>4,773,047</u>	<u>433,507</u>
<b>27 Depreciation and amortisation expenses</b>			
	Depreciation of tangible assets	6,711,610	961,215
	Excess provision related to earlier years withdrawn	(2,606,232)	
		<u>4,105,378</u>	<u>961,215</u>
<b>28 Other Expenses</b>			
	Consumables	30,489	-
	Power and Fuel	293,861	131,673
	Rent	600,341	262,402
	Repairs & Maintenance to Machinery	39,202	35,448
	Donation	4,000	-
	Repairs & Maintenance Others	192,843	116,492
	Insurance	44,363	26,296
	Rates & Taxes, excluding taxes on income	5,039,860	1,449,086
	Remuneration to Auditors	358,882	137,472
	Professional Charges	1,743,882	835,420
	Freight & Forwarding	49,743	352,312
	Bad Receivables / Advances written off	70,954	
	Less: Provision for doubtful receivables / Advances withdrawn	<u>70,954</u>	<u>5,847,986</u>
	Travelling and Conveyance	502,292	267,494
	Communication expenses	246,166	150,405
	Labour Charges	283,445	34,510
	Advertisement	369,862	182,253
	Net loss on foreign currency transaction and translation	13,163,251	53,899
	Printing & Stationery	107,553	61,418
	Loss on sale / discard of fixed asset	1,817,719	194,270
	Brokerage & commission	15,000	
	Membership & Subscription	54,885	
	General Expenses	846,450	
		<u>25,875,043</u>	<u>276,807</u>
	Remuneration to Auditor		
	Audit fees	150,000	75,000
	Tax Audit fees	100,000	50,000
	Certification	50,000	
	Reimbursement of expenses / Service tax	<u>58,882</u>	<u>12,472</u>
		<u>358,882</u>	<u>137,472</u>

## Notes to the Financial Statements

**Note No. 29. OTHER EXPLANATORY INFORMATION:**

(Amounts are in INR unless otherwise stated)

**1) Employee benefits:**
**a) Gratuity**
**Changes in present value obligation**

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Present Value of unfunded obligation	20,98,056	17,54,576
Unrecognized Past service cost	-	-
Amount not recognized as an asset	-	-
Net liability	20,98,056	17,54,576
Amounts in balance sheet		
Liability	20,98,056	17,54,576
Asset	-	-
Net liability is bifurcated as follows		
Current liability	78,488	83,019
Non-Current liability	20,19,568	16,71,557
Net liability	20,98,056	17,54,576

**Expense to be Recognized in Statement of Profit & Loss Account**

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Current Service Cost	1,10,160	60,471
Interest on defined benefit obligation	1,69,560	1,02,252
Expected return on Plan assets	-	-
Net Actuarial (gains)/Loss recognized in the year	123,760	(5,60,639)
Total included in employee benefit expenses	4,03,480	(3,97,916)
Actual return on Plan Assets	-	-

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
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**Change in Defined Benefit Obligation**

Opening Defined Benefit Obligation	17,54,576	21,52,492
Current Service Cost	1,10,160	60,471
Interest Cost	1,69,560	1,02,252
Actuarial Losses / (Gain)	123,760	(5,60,639)
Benefits Paid	(60,000)	-

**Closing Defined Benefit Obligation**

Expected employer contribution next year	78,488	83,019
--	--------	--------

**Economic Assumption**

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Discounting rate	7.95 %	9.30 %
Salary escalation rate	7.00 %	7.00 %

**Demographic Assumption**

Retirement age	58 years
Mortality table	LIC(1994-96) mortality table
Leaving service rates	
Age(years)	Rates
21-30	15%
31-34	10%
35-44	5%
45-50	3%
51-54	2%
55-57	1%

## **Notes to the Financial Statements**

**b) Leave salary:**

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Present Value of Funded Obligation	-	-
Fair Value of plan asset	-	-
Present Value of unfunded obligation	1,97,973	1,25,294
Amount in balance sheet		
Liability	1,97,973	1,25,294
Asset	-	
Net liability is bifurcated as follows		
Current liability	25,470	17,486
Non-current liability	1,72,503	1,07,808
Net Liability	1,97,973	1,25,294
Expenses recognized in the statement of profit and loss	72,629	13,465
Discount Rate	7.95 %	7.95 %
Salary Escalation	7.00 %	7.00 %
2) Value of Import on CIF basis		
a) Trading goods Rs. 89,37,124 (PY Rs. 39,19,696)		
3) Earning in foreign exchange		
a) Export –Software services Rs. 7,69,824 ( PY Rs. 4,63,836)		
4) Expenditure in Foreign currency		
Foreign Travel      Rs. 1, 28,988      (Rs. 34,122)		
Others                Rs. Nil                (Rs. 59,089)		
5) Earning per share		

Sl. no	Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
1.	Profit after tax considered for calculation of basic and diluted earnings per share	(76,18,158)	52,663
2.	Weighted average number of equity shares considered for calculation of basic earnings per share	5,43,47,163	4,80,92,682
3.	Weighted average number of equity shares considered for calculation of diluted earnings per share	6,11,64,217	5,48,54,535
4.	Earnings per share – Basic	(0.14)	0.001
5.	Earnings per Share – Diluted	(0.12)	0.001
6)	Directors Remuneration:		

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Salary	36,00,000	22,50,000
Contribution to Provident Fund	2,16,000	1,35,000
<b>Total</b>	<b>38,16,000</b>	<b>23,85,000</b>

- 7) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.  
 8) Due to Micro, small & medium enterprises

As per the records maintained by the company there are no dues to the Micro, small & medium enterprises as on the date of balance sheet.

9) Related Party Disclosure

Cerebra LPO India Limited	Subsidiary
Cerebra Middle East FZCO	Subsidiary
Geeta Monitors Private Limited	Subsidiary
Cerebra E-Waste Recovery Pte Ltd.	Subsidiary
Kranion Technologies Private Ltd	Associate company

## Notes to the Financial Statements

**Key Management Personnel**

<b>Name</b>	<b>Designation</b>
V Ranganathan	Managing Director
P VishwaMurthy	Whole time Director
Shridhar S Hegde	Whole time Director
P Bharath	COO
Nutan Soudagar	Company Secretary
Phalguna Jois	CEO (ESD)

The Company has the following transactions with related parties:

**Transaction during the year:**

<b>Particulars</b>	<b>Year ended 31-Mar-15</b>	<b>Period ended 31-Mar-14</b>
V Ranganathan	12,72,000	6,36,000
Remuneration paid		
Gururaj K Upadya	-	4,50,000
Remuneration paid		
P Vishwamurthy	12,72,000	6,36,000
Remuneration paid		
Shridhar S Hegde	12,72,000	6,36,000
Remuneration paid		
P Bharath		
Remuneration paid	12,72,000	6,36,000
Nutan Soudagar		
Remuneration paid	61,967	0
Phalguna Jois		
Remuneration paid	5,59,440	0
Geeta Monitors Private Limited		
Purchase of goods	90,77,106	25,67,226
Sale of goods	70,19,819	13,04,508

**Balance with Related parties:**

<b>Particulars</b>	<b>Year ended 31-Mar-15</b>	<b>Period ended 31-Mar-14</b>
i. Cerebra LPO India Limited		
- Balance Receivable	5,55,38,566	5,34,14,633
- Investment	3,50,000	3,50,000
ii. Cerebra Middle East FZCO		
- Balance Receivable	1,97,56,940	4,17,49,973
- Investment	11,00,793	11,00,793
iii. Geeta Monitors Private Limited		
- Balance Payable	15,62,096	31,63,458
- Investment	4,28,39,580	4,28,39,580
iv. Cerebra Ewaste Recovery Pte Limited, Singapore		
- Balance Receivable	5,39,29,179	5,39,29,179
- Share application Money	1,34,62,456	1,34,62,456
- Investment	44	44
v. Ranganathan V Payable	7,40,396	18,60,351
vi. Sridhar Hegde Payable	91,380	81,990
vii. P Vishwamurthy Payable	1,37,887	138,235

## **Notes to the Financial Statements**

- 10) Lease hold land amounting Rs. 5,06,39,394/- (PY- Rs. 5,06,39,394/-) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.
- 11) Share application money amounting **Rs 1,34,62,456** (Previous year 1,34,62,456) and advance to a Subsidiary amounting Rs 5,39,29,179 (Previous Year Rs 5,39,29,179) relates to remittance made to Cerebra E waste recovery Pte Limited. As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US\$ 12,50,000 equivalent to Rs 6,79,76,747 (Previous Year Rs 6,79,76,747) to Enviro on 2<sup>nd</sup> February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal the acquisition. The Company is negotiating with Enviro seeking refund the initial deposit and is confident of amicable settlement of the matter. Considering the opinion of the consultants no provision is made in the accounts towards this advance.
- 12) Capital advance includes :
  - (i) Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore ( Cimelia) on 24th May 2011 towards technology fee. The payment is made by allotting 23,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
  - (ii) Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
  - (iii) Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.
  - (iv) All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai. On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is expecting the refund of advance by Cimelia either by cash or by transfer of shares.
  - (v) Rs. 88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance account from Scenic. US \$ 2,25,000 was advanced to Scenic on 24th May 2011 towards supply of plant and machinery against which mobile shredder valued US \$ 25,000 was supplied by them so far.
  - (vi) Further, the Company has obtained an interim injunction order from Honorable Addl. City Civil Court Bangalore restraining the above mentioned parties from alienating, encumbering or creating any manner of charge or third party rights over the shares allotted to them as detailed above.
  - (vii) On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is expecting the refund of advance by Cimelia either by cash or by transfer of shares.

(viii) Considering the above, no provision is made in the accounts towards these advances.

- 13) Trade Receivables includes Rs 21,35,10,773 (P.Y 10,46,07,626/-) outstanding for substantial period. Based on the discussions with these parties the management is confident of recovering these dues and hence no provision has been made in the books.

14) Operating Leases:

The Company has taken various premises under cancelable leases. These lease agreements are normally renewed on expiry.

The lease agreements provide an option to the Company to renew the lease period at the end of the non-cancelable period. There are no exceptional / restrictive covenants in the lease agreements.

Contingent rent recognized in the profit & Loss Account NIL

Obligation under Leases

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
Lease rent recognized during the year	6,00,341	2,62,402
Within one year of the Balance Sheet date	6,14,451	5,40,504
Due in a period between one year and five years	27,87,405	17,89,137
Due after five years	Nil	Nil

15) Details of non-resident share holders:

Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
1 Number of Non-resident share holders	39	33
2 Number of shares held by non-resident share holders	96,40,366	96,93,891
Foreign Bodies	3,13,86,280	
3 Amount remitted during the year in foreign currency on account of Dividends	Nil	Nil

16) CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Counter guarantee given to the bankers for guarantees issued Rs. 71,03,188/- (Rs. 71,03,188/-)

- 17) Pursuant to enactment of the Companies Act, 2013, the company has provided depreciation for the year on the basis of the useful life of fixed Asset as prescribed in the Schedule II of the Companies Act,2013, resulting in higher depreciation of Rs 4620722 for the Year. In respect of fixed asset whose useful life has ended prior to 31st March 2014 an amount of Rs 59265/- has been adjusted to the opening balance of profit and loss account.

- 18) The figures of the Previous period represent the performance of the Company is for a period of six months i.e., from 1st October 2013 to 31st March 2014 and are not comparable with the current year figures. Figures in bracket relate to previous year. Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of CEREBRA INTEGRATED TECHNOLOGIES LIMITED ("the Holding company"), and its subsidiaries (hereinafter collectively referred to as "the group") which comprise the consolidated Balance Sheet as at 31 March 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. The Board of directors of the respective Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error., which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2015;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

### **Emphasis of Matter**

*Without qualifying our report, we draw attention to:*

- a. Long term loans and advances include Rs.6,79,76,747/- advances due from a Company which have not been recovered / adjusted for substantial period (refer 2 (h) of notes to accounts).
- b. Capital advances amounting to Rs 16,98,48,000 (refer Note 2(i)) and Trade receivables and advances amounting to Rs 28,45,89,800(refer note 2(j) to accounts) outstanding for substantial period, pending recovery/adjustments.

**Other Matters**

- a. We did not audit the financial statements of a subsidiary incorporated in India, whose financial statements reflect total assets of Rs. 32,96,74,074 as at 31st March, 2015, total revenues of Rs. 57,88,96,627 for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit of Rs 29,85,831 for the year ended 31st March, 2015, as considered in the consolidated financial statements, have not been audited by us. These financial statements have been audited by an auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the said auditor.

- b. We have relied on the unaudited financial statements of Two subsidiaries incorporated outside India, whose financial statements reflect total assets of Rs 2,60,884,825 and total revenue of Rs 79,51,64,766 for the period then ended. These unaudited financial statements as approved by the respective Board of Directors of these Companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of these subsidiaries is based solely on such approved unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of consolidated financial statements;
  - b. In our opinion proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as appears from our examination of the relevant books and reports;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;
  - d. In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors of the Holding Company and an Indian Subsidiary, none of the directors of the Holding Company and its subsidiaries are disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses except on matters stated in emphasis of matter paragraph above.
    - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the group.

For ISHWAR & GOPAL  
Chartered Accountants  
Firm Reg. No. 001154S

K.V. Gopalakrishnayya  
Partner  
Membership No.021748  
Place : Bangalore  
Dated : 29th May 2015

## **Annual Report 2014-2015**

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### **Annexure to Independent Auditor's Report**

**Annexure referred to in our report to the members of CEREBRA INTEGRATED TECHNOLOGIES LIMITED for the year ended on March 31, 2015.**

Our reporting on the CARO 2015 includes the holding Company and two subsidiary companies incorporated India (collectively referred to as entities) to which CARO 2015 is applicable, out of which one subsidiary has not been audited by us and our report in respect of these entities is based solely on the report of the said auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

In respect of two subsidiary companies company incorporated outside India, which have been included in the consolidated financial statements based on unaudited financial statements of such entities provided to us by the Management and no Report under CARO 2015 is available, and accordingly the possible effects of the same on our reporting under CARO 2015 has not been considered.

- i) In respect of fixed assets of the Holding Company and subsidiaries incorporated in India
  - a) The respective entities have maintained records showing full particulars, including quantitative details and the situation of its fixed assets.
  - b) All the assets have been physically verified by the management of the respective entities during the year which, in our opinion, is reasonable having regard to the size of the entities and the nature of its business. No material discrepancies were noticed on such verification.
- ii) In respect of inventories of the Holding company and subsidiaries incorporated in India
  - a) Inventories have been physically verified during the year by the management of the entities during the year. In our opinion, the frequency of verification was reasonable.
  - b) The procedures of physical verification of inventories followed by the management of the entities were reasonable and adequate in relation to the size of the entities and the nature of its business.
  - c) In our opinion the entities have maintained proper records of inventory. The discrepancies between the physical stocks and the book records, where applicable, as noticed on physical verification were not material and have been properly dealt with in the books of account;
- iii) The entities have not granted any loans to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence clause 3 (iii) (a) and (b) of the Companies Auditor's Report Order, 2015 is not applicable to the entities for the year under review.
- iv) In our opinion and according to the information and explanations given to us, internal control procedures need to be improved to make it commensurate with the size of the entities and the nature of its business with regard to purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) The holding company and a subsidiary incorporated in India have not accepted any deposits and hence the requirement of clause 3 (v) of Companies (Auditor's Report) Order, 2015 is not applicable to the entities during the year under review.
- vi) In respect of a subsidiary incorporated in India, the entity has accepted interest bearing unsecured deposit from its share holders to the extent of Rs. 1,36,69,358/- and at the end of the year, the balance amounts to Rs. 21,89,385/. The entity has not complied with the secretarial requirements of section 73 wherein the entity is yet to file the necessary forms as required.
- vii) We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the entities are not applicable to the entities for the year under review and hence the requirement of clause 3 (vi) of Companies (Auditor's Report) Order, 2015 is not applicable.
  - vii)a) The entities are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities except for income tax, value added tax and excise duty given below:

The amounts outstanding statutory dues of income tax, service tax and excise duty, as at the last day of the financial year for a period of more than six months from the date they became payable by the Holding Company and a subsidiary incorporated in India are as follows

Name of the Statute	Nature of Dues	Amounts in INR	Period to which it relates	Due Dates	Date of Payment
Income Tax Act 1961	Income tax	8,99,914	2001-02	Various dates	Not paid as on the date of this report
Central Excise Act,1944	Excise duty	28,09,259	2002-03	Various dates	Not paid as on the date of this report
The Finance Act, 1994	Service tax	50,21,684	2011-12 2013-14 and 2014-2015	Various dates	Not paid as on the date of this report

- b) According to the information and explanation given to us, the following amounts of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the relevant authorities on account of any dispute by a subsidiary incorporated in India are detailed under:-

Name of the Statute	Nature of Dues	Related Period	Amounts in INR	Forum where dispute is pending
Central Sales tax	Central Sales Tax		1440	Commissioner of Commercial Taxes CST, Bangalore

- c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the entities in accordance with relevant provisions of the Companies Act, 1956. Hence the provisions of clause 3(vii) ( c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- viii) The accumulated losses of the group at the end of the financial year are more than fifty percent of its net worth. The group has not incurred cash losses during the financial year and in the preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the entities have not defaulted in repayment of dues to banks, financial institutions and did not have any amount outstanding to debenture holders..
- x) As far as we could ascertain, the entities have not given guarantees for loans taken by others from banks or financial institutions and hence the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- xi) According to the information and explanations given to us and on an overall examination of the balance sheet of the group, we report that term loans were applied for the purpose for which the loans were obtained.
- xii) According to the information and explanations given to us, no material frauds on or by the group that causes material misstatements to financial statements have been noticed or reported during the year.

For ISHWAR & GOPAL  
Chartered Accountants  
Firm Reg. No. 001154S

K.V. Gopalakrishnayya  
Partner  
Membership No.021748

Place : Bangalore  
Dated: 29th May 2015

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31st March 2015**

**Amounts in INR**

Particulars	Note No.	As at 31- March-2015		As at 31- March-2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
a. Share Capital	3	843,391,120		481,028,320	
b. Reserves and Surplus	4	<u>485,402,412</u>	1,328,793,532	<u>447,090,814</u>	928,119,134
<b>Minority Interest</b>			60,282,148		55,955,183
<b>Non-current liabilities</b>					
a. Long Term borrowings	5	315,776,517		16,353,668	
b. Deferred tax liabilities (Net)	6	21,492		413,441	
c. Long term provisions	7	<u>2,715,191</u>	318,513,200	<u>2,101,233</u>	18,868,342
<b>Current Liabilities</b>					
a. Short term borrowings	8	58,357,901		37,198,757	
b. Trade payables	9	485,769,562		689,398,413	
c. Other Current liabilities	10	48,697,316		39,826,390	
d. Short term provisions	11	12,214,008	605,038,787	10,220,768	776,644,328
<b>TOTAL</b>			<b>2,312,627,667</b>		<b>1,779,586,987</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
a. Fixed Assets					
i. Tangible Assets	12	72,581,607		82,398,602	
b. Non-current investments	14	-		6,670	
c. Long term loans & advances	15	399,116,893		402,716,841	
d. Other non current assets	16	<u>165,100</u>	471,863,599	<u>165,100</u>	485,287,213
<b>Current Assets</b>					
a. Current Investments	17	-		293,223	
b. Inventories	18	172,479,618		127,909,622	
c. Trade receivables	19	982,363,041		1,107,152,243	
d. Cash & Cash equivalents	20	648,192,726		20,498,112	
e. Short term loans & advances	21	28,178,868		29,047,974	
f. Other Current assets	22	<u>9,549,815</u>	1,840,764,068	<u>9,398,600</u>	1,294,299,774
<b>TOTAL</b>			<b>2,312,627,667</b>		<b>1,779,586,987</b>
Significant accounting policies and other explanatory information	1 & 2				

As per our Report of even date:

For Ishwar & Gopal,  
Chartered Accountants

For and on behalf of the Board

**K.V. Gopalakrishnayya**  
Partner  
Membership No : 021748  
Firm registration No : 001154S

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director & CFO  
DIN: 01247342

**Nutan Soudagar**  
Company Secretary

Place : Bangalore  
Date : 29.05.2015

## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

### Consolidated Statement of Profit and Loss for the Year ended 31st March, 2015

Amounts in INR

Particulars	Note No.	For the year ended 31- March-2015	For the period ended 31- March-2014 (6 months)
Income:			
Revenue from operations	23	2,674,782,528	1,304,689,573
Other Income	24	1,930,150	8,122,711
<b>Total Revenue</b>		<b>2,676,712,679</b>	<b>1,312,812,284</b>
Expenses:			
Cost of materials consumed	25	5,339,249	884,659
Purchase of Stock-in-Trade	26	2,486,276,965	1,197,622,674
Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(36,475,617)	10,166,843
Employee benefits expense	28	67,649,805	36,437,630
Financial costs	29	30,905,050	11,769,816
Depreciation and amortization expense	30	10,606,360	4,705,009
Other expenses	31	86,265,650	30,570,156
<b>Total Expenses</b>		<b>2,650,567,463</b>	<b>1,292,156,786</b>
Profit before tax		26,145,216	20,655,498
Tax expense / (credit):			
Current tax		3,400,000	3,717,549
MAT Credit Entitlement		-	(617,549)
Deferred Tax		(391,949)	(592,631)
<b>Total</b>		<b>3,008,051</b>	<b>2,507,369</b>
Profit after tax for the year		23,137,165	18,148,129
Less: Minority Interest		4,326,965	3,818,522
Profit for the Year		18,810,200	14,329,607
Earning per equity share:			
(1) Basic		0.35	0.30
(2) Diluted		0.31	0.30
Significant accounting policies and other explanatory information	1 & 2		

As per our Report of even date:

For and on behalf of the Board

For Ishwar & Gopal,  
Chartered Accountants

**K.V. Gopalakrishnayya**  
Partner  
Membership No : 021748  
Firm registration No : 001154S

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director & CFO  
DIN: 01247342

**Nutan Soudagar**  
Company Secretary

Place : Bangalore  
Date : 29.05.2015

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**  
**Consolidated Cash Flow Statement for the Year ended March 31, 2015**

Particulars	Year ended 31- March-2015	Period ended 31- March-2014
<b>A. Cashflow from operating activities</b>		
Net Profit before tax and minority interest	26,145,216	20,655,499
Adjustments for:		
Depreciation (net)	10,606,360	4,944,832
Interest expenditure	30,905,050	11,769,816
Interest income	(840,560)	(421,207)
Dividend Income	(4,809)	(8,863)
Excess provision withdrawn	(725,186)	-
Provision for doubtful debts	-	6,744
Loss on sale of fixed assets	1,854,889	41,795,744
Operating Profit /(Loss) before working capital changes	67,940,960	37,141,089
Adjustment for changes in :		
Increase in Inventories	(44,569,996)	9,455,126
Decrease in Trade & other receivables	129,400,264	(516,760,725)
Decrease in Trade & Other Payable	(206,759,338)	474,787,136
	(121,929,070)	(32,518,463)
Cash generated from operations	(53,988,111)	4,622,627
Income tax paid (net)	(1,629,886)	(18,213,314)
Net Cash flow before extraordinary items	(55,617,997)	(13,590,687)
Net cashflow from Operating Activities	(55,617,997)	(13,590,687)
<b>B. Cash Flow from Investing activities</b>		
Interest Income	840,560	1,339,218
Dividend income	4,809	-
Purchase of fixed assets including capital WIP & capital advances	(3,964,380)	(19,761,633)
Sale of fixed assets	696,421	2,789
Sale of Investments	6,670	-
Net cash used in Investing Activities	(2,415,919)	(18,419,627)
<b>C. Cashflow from Financing Activities</b>		
Issue of shares	362,362,800	-
Share premium received	18,118,140	-
Issue expenses	(2,878,163)	-
Foreign Currency Translation	4,885,127	3,043,253
Increase in borrowings	330,023,021	5,352,392
Interest paid	(26,782,395)	685,728,531
Net Increase / (Decrease) in Cash & Cash equivalents (A+B+C)	627,694,614	(35,384,484)
Cash & Cash equivalents		
Opening Balance	20,498,112	55,882,596
Closing Balance	648,192,726	20,498,112
Net Increase / (Decrease) in cash and cash equivalents	627,694,614	(35,384,484)

As per our Report of even date:

For Ishwar&Gopal,  
Chartered Accountants

For and on behalf of the Board

**K.V.Gopalakrishnayya**  
Partner  
Membership No : 021748  
Firm registration No : 001154S

**V Ranganathan**  
Managing Director  
DIN: 01247305

**Shridhar S Hegde**  
Wholetime Director & CFO  
DIN: 01247342

**Nutan Soudagar**  
Company Secretary

Place : Bangalore  
Date : 29.05.2015

**1. SIGNIFICANT ACCOUNTING POLICIES:****a) SYSTEM OF ACCOUNTING:**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention under accrual basis. Indian GAAP comprises of mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities Exchange Board of India (SEBI). The accounting policies have been consistently applied by the Company except to the extent of deviations specifically stated. The financial statements are prepared in Indian Rupees.

**b) PRINCIPLES OF CONSOLIDATION:**

The consolidated financial statements have been prepared on the following basis:

- i. The consolidated financial statements include the financial statements of Cerebra Integrated Technologies Ltd and all its subsidiaries, which are more than 50% owned or controlled. The financial statements of the Parent Company and its majority owned / controlled subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intercompany balances / transactions and resulting unrealized gain / loss.
- ii. The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method', wherein, the share of profit / loss of the associate Company has been added / deducted to / from the cost of investment.
- iii. Minority interest in the net assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made; and
  - b) The minority's share of movements in equity since the date of parent-subsidiary relationship came into existence.  
Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Company.
- iv. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances except for deviations mentioned under the respective accounting policies.

**c) USE OF ESTIMATES:**

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimate is recognized in the period in which the estimates are revised and in any future period affected.

**d) TANGIBLE ASSETS, INTANGIBLE ASSETS AND CAPITAL WIP:**

Fixed assets are stated at historical cost less accumulated depreciation. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization.

Cost of fixed assets not ready for use before the balance sheet date is disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

**e) DEPRECIATION:**

Effective 1st April 2014, the company depreciates its fixed asset over the useful life in the manner prescribed in schedule II of the companies' act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the companies' act 1956. Depreciation on addition/ deletion during the year is provided on pro-rata basis. The individual assets purchased/ installed during the year costing less than Rs. 5000/- have been fully depreciated in the year of purchase. Depreciation on computer software is provided over the period of six years, except that in the case of Geeta Monitors Private Limited and Cerebra Middle East FZCO. Depreciation on additions/deletion during the year has been provided for on pro-rata basis. Assets purchased/installation during the year costing less than Rs. 5000/- are fully depreciated.

In respect of Geeta Monitors Private Limited, they have adopted depreciation as per Schedule ii to the Companies Act, 2013 under written down value method. Computer software forming an integral part and procured along with the hardware has been capitalized as computers and depreciated accordingly.

In respect of Cerebra Middle East FZCO, depreciation is provided under straight line method at the rate of 10% as per local laws.

**f) INVESTMENTS:**

Long term investments are stated at cost less other than temporary decline in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**g) RETIREMENT AND OTHER TO EMPLOYEE BENEFITS:**

i. **Short term employee benefits:** All employee benefits falling due wholly within twelve months of rendering service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and expected cost of bonus, are recognized in the period in which employee renders the related service.

ii. **Post employee benefits:**

**Defined Contribution plans:** The state governed provident fund scheme, insurance scheme, and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related services.

**Defined benefits Plans:** The employee gratuity fund schemes and other defined benefits plans. Wherever applicable, the present value of obligations under defined benefit plans is determined based on actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up final obligation.

The obligation is measured in the present value of the estimated future cash flows except in case of Geeta Monitors Private Limited and Cerebra Middle East FZCO. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yield on the Government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

The obligations for long term employee benefits such as long term compensated absences, etc. is recognized in the similar manner as in the case of defined benefit plans mentioned above.

In respect of Geeta Monitors Private Limited, gratuity liability is computed on an estimated basis.

In respect of Cerebra Middle East FZCO, employee benefits are recognized as per local laws.

**h) REVENUErecognition:**

i. Revenue from sale of goods is recognized when significant risk and rewards of the ownership of the goods have passed to the buyer which generally coincides with dispatch of goods to the customers. Sales include applicable excise duty but exclude sales tax. Warranty charges forming part of the sales are not recognized separately and expenditure incurred in this regard is accounted when incurred.

ii. Income from IT services is recognized upon completion of milestones wherever payments are linked to such milestones. In cases where payments are based on completion of each man-hour, man-days, man-month of service rendered, revenue is recognized upon respective completion of the same.

**i) INVENTORY:**

Inventories are valued at lower of cost or net realizable value. In respect of traded stock cost is computed under first in first out (FIFO) method whereas for Raw Materials the same is computed under weighted average method.

**j) FOREIGN CURRENCY TRANSACTIONS:**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates closely approximating those prevailing on the date of transaction.

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realized is recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at period end are restated at the closing rate. The difference arising from the restatement is recognized in the statement of profit and loss.

Financial statements of foreign subsidiary are classified as non integral foreign operations and are incorporated in the financial statements using the following procedures for translation.

- a. the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation should be translated at the closing rate;
- b. income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions using the average rate for the year; and
- c. all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

**k) ACCOUNTING FOR CLAIMS & CONTINGENCIES:**

All known liabilities of material value have been provided for in the accounts except liabilities of contingent in nature, which have been disclosed at their estimated value in the notes to account in accordance with accounting standard (AS 29). As regards, provisions, it is only that obligation arising from past events existing independently of enterprise's future actions that are recognized as provisions. Contingent liabilities are not recognized but are disclosed in the additional information. Contingent assets are neither recognized nor disclosed in the financial statement.

**i) IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recognized impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

**m) EARNINGS PER SHARE**

Basic Earnings per share are calculated by dividing net profit or loss for the year attributable to equity share holders (after deducting attributable taxes and dividend on cumulative preference shares for the year) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n) Taxes:****Income tax:**

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes has been computed after considering Minimum Alternate Tax (MAT). The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Accordingly, MAT credit has been recognized, wherever applicable on the balance sheet date which can be carried forward for a period prescribed under the tax regulations.

**Deferred Tax**

Deferred tax on account of timing differences, between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is certainty that these would be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written off to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

Deferred tax asset are recognized in view of prudence in respect of unabsorbed losses / depreciation and other benefits only to the extent there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**o) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated.

**2. OTHER EXPLANATORY INFORMATION: (Amounts are in INR unless otherwise stated)****a) The enterprises considered in the consolidated financial statements are:**

Name of the enterprise	Country of incorporation	Voting power	
		As on 31-Mar-2015	As on 31-Mar-2014
Cerebra LPO India Limited	India	70%	70%
Cerebra Middle East FZCO	Dubai	90%	90%
Geeta Monitors Private Limited (effective from 3rd August 2011)	India	51%	51%
Cerebra E-Waste Recovery Pte Limited (incorporated on 18.01.2013)	Singapore	100%	100%

## Annual Report 2014-2015

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**b) Segment wise business performance:**

**Business Segment:** The Company's operating businesses are organised and managed separately according to the nature of products and services, with each segment representing a strategic business unit that offers different products / services. The two identified segments are hardware trading and software services.

**Secondary Segment:** The analysis of Geographical segment is based on the geographical location of the customers.

Segment Information

Amounts in INR

Particulars	31-Mar-15	31-Mar-14
i. Primary segment report by business segment		
I. Segment revenue		
a. Hardware	2,65,60,85,525	1,29,68,94,624
b. I T Services	1,86,97,003	77,94,948
Total	2,67,47,82,528	1,30,46,89,573
II. Segment result		
Profit/(loss) before tax & interest		
a. Hardware	55,919,897	3,58,66,285
b. I T Services	(57,86,345)	(34,40,970)
Total	5,01,33,552	3,24,25,315
III. Segment assets		
a. Hardware	2,12,86,17,270	1,59,37,42,835
b. I T Services	18,40,10,395	18,58,44,150
Total	2,31,26,27,665	1,77,95,86,986
IV. Segment Liabilities		
a. Hardware	2,23,35,63,267	1,69,94,12,250
b. I T Services	7,90,64,398	8,01,74,736
Total	2,31,26,27,665	1,77,95,86,986
V. Capital expenditure		
a. Hardware	39,64,380	5,14,072
b. I T Services	-	-
Total	39,64,380	5,14,072
VI. Depreciation		
a. Hardware	86,96,359	43,62,143
b. I T Services	19,10,001	3,42,864
Total	1,06,06,360	47,05,007
ii. Secondary Segment reporting by geographical segment		
Segment wise Revenue	31-Mar-15	31-Mar-14
a. Revenue from customers outside India	79,69,24,711	33,20,16,260
b. Revenue from customers in India	1,87,78,57,817	97,26,73,313
Total	2,67,47,82,528	1,30,46,89,573
c) Earnings per share:		

Sl. no	Particulars	Year ended 31-Mar-15	Period ended 31-Mar-14
1.	Profit after tax considered for calculation of basic and diluted earnings per share	1,88,10,200	1,43,29,609
2.	Weighted average number of equity shares considered for calculation of basic earnings per share	5,43,47,163	4,80,92,682
3.	Weighted average number of equity shares considered for calculation of diluted earnings per share	6,11,64,217	5,48,54,535
4.	Earnings per share – Basic	0.35	0.30
5.	Earnings per Share – Diluted	0.31	0.30

**d) Due to Micro, small & medium enterprises**

As per the records maintained by the company there are no dues to the micro, small & medium enterprises as on the date of balance sheet.

**e) Related Party Disclosure**

Key Management Personnel

Name	Designation
V Ranganathan	Managing Director
Shridhar S Hegde	Whole time Director
K Gururaj Upadhy	Whole time Director
P VishwaMurthy	Whole time Director
P Bharath	COO
Nutan Soudagar	Company Secretary
Phalguna Jois	CEO (ESD)

I) The Company has following transactions with related parties:

Particulars	31-Mar-15	31-Mar-14
Remuneration to Directors and Key Management Personnel		
V Ranganathan	12,72,000	6,36,000
Shridhar S Hegde	12,72,000	6,36,000
Gururaj K Upadhy	-	4,50,000
P Vishwamurthy	12,72,000	6,36,000
P Bharath	12,72,000	6,36,000
Nutan Soudagar	61,967	-
Phalguna Jois	5,59,440	-

II) Balances payable to related parties

Particulars	31-Mar-15	31-Mar-14
V Ranganathan	7,40,396	18,60,351
Shridhar S Hegde	91,380	81,990
P Vishwamurthy	1,37,887	138,235

f. Lease hold land amounting Rs.5,06,39,394/- (PY- Rs.5,06,39,394/-) includes 48,564 Sq. Mtrs of land at Narsapura Industrial Area, Kolar Taluk, Kolar District, allotted by Karnataka Industrial Area Development Board (KIADB) on lease cum sale basis for setting up an e-waste recycling plant within a specified period. As per the lease cum sale agreement, KIADB has got the right to determine the lease and forfeit up to 25% of the consideration paid / enhance the compensation payable if the company fails to set up the plant with in the specified period.

g) Balances of Sundry Debtors, Advances given to parties, Sundry Creditors and advances received from parties are subject to confirmation.

h. As per the Share Purchase Agreement (SPA) entered between the Company and Enviro-Hub Holdings Limited Singapore (Enviro) the subsidiary Company remitted US\$ 12,50,000 equivalent to Rs 6,79,76,747 (Previous Year Rs. 6,79,76,747) to Enviro on 2<sup>nd</sup> February 2013 as initial deposit towards acquisition of 100% shares of Enviro's wholly owned subsidiary Cimelia Resource Recovery Pte Limited (Cimelia), a Company in the field of e waste recycling business. However during July 2013 based on the advice given by the consultants and advisors the Company decided to abort the acquisition proposal the acquisition. The Company is negotiating with Enviro seeking refund of the initial deposit and is confident of amicable settlement of the matter. Considering the opinion of the consultants no provision is made in the accounts towards this advance.

i. Capital advance includes:

(i) Rs. 4,02,50,000 (Previous Year Rs 4,02,50,000) was advanced to Cimelia Resource Recovery Pte Limited Singapore (Cimelia) on 24th May 2011 towards technology fee. The payment is made by allotting 23, 00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(ii) Rs. 6,30,00,000 (Previous Year Rs. 6,30,00,000) was advanced to Restorer Corp Pte Limited, formerly known as Scenic Overseas (S) Pte Limited (Scenic) on 24th May 2011 towards supply of plant and machinery for e waste recycling plant in India. The payment is made by allotting 36,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

(iii) Rs. 5,77,50,000 (Previous Year Rs. 5,77,50,000) was advanced to Leytron Technology Pte Limited (Leytron) on 24th May 2011 towards installation and commissioning of the above plant. The payment is made by allotting 33,00,000 equity shares of the Company at a premium of Rs 7.50 Per share.

All the above allotments were made based on the approvals obtained from the FIPB, Government of India, and the Bombay Stock Exchange Ltd, Mumbai. On signing the SPA, Scenic and Leytron have agreed to return the shares allotted to them and authorized the Company to do the needful to set off against the advance amount. The Company is expecting the refund of advance by Cimelia either by cash or by transfer of shares. Hence no provision is made in the accounts.

(iv) Rs 88,48,000 (Previous Year Rs. 88,48,000) represents balance in advance account from Scenic. US \$ 2,25,000 was advanced to Scenic on 24th May 2011 towards supply of plant and machinery against which mobile shredder valued US \$ 25,000 was supplied by them so far.

## Annual Report 2014-2015

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- j) Trade Receivables and advances include Rs. 28,45,89,800/- (Previous Year Rs 18,31,99,988/- outstanding against export of software products and legal process outsourcing services for substantial period. No provision has been made in the books.
- k) Pursuant to enactment of the Companies Act, 2013, the company has provided depreciation for the year on the basis of the useful life of fixed Asset as prescribed in the Schedule II of the Companies Act, 2013, resulting in higher depreciation of Rs 53,97,622 for the Year. In respect of fixed asset whose useful life has ended prior to 31st March 2014 an amount of Rs 5,20,133 has been adjusted to the opening balance of profit and loss account.
- l) Contingent Liabilities & Commitments  
Contingent Liabilities – Counter guarantees in respect of guarantee issued by bankers Rs. 71,03,188 (Rs. 71,03,188)
- m. The figures of the previous period represent the performance of the Company for a period of six months ie, from 1st October 2013 to 31st March 2014 and are not comparable with the current year figures. Figures in bracket relate to previous year. Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

Note No.	Particulars	As at 31-March-2015		As at 31-March-2014	
		Number	Amount in INR	Number	Amount in INR
3	<b>Share Capital</b> <b>Authorised</b> a Equity Shares b Issued Equity Shares <b>Subscribed and fully paid up</b> Equity Shares Add: Forfeited Shares- originally paid for 20300 shares	110,200,000  84,339,112  84,328,962  101,500	1,102,000,000  843,391,120  843,289,620  101,500	50,200,000  48,092,682  48,092,682  101,500	502,000,000  480,926,820  480,926,820  101,500
	<b>Total</b>		<b>843,391,120</b>		<b>481,028,320</b>

c Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Number	Amount in INR	Number	Amount in INR
Equity Shares				
Oustanding at the beginning of the period	48,092,682	480,926,820	48,092,682	480,926,820
Issued during the period	36,236,280	362,362,800	-	-
Outstanding at the end of the period	84,328,962	843,289,620	48,092,682	480,926,820

d Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in the Annual General Meeting.

During the year, the Company has not declared any dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the equity share holders.

e Out of the total issued and paid up capital 92,16,153 (92,16,153) shares of Rs 10/ each have been allotted as fully paid up pursuant to a contract without paying received in cash)

f Shares held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of the Shareholder	No. of shares held	% of holding	No. of shares held	% of holding
Restorer Corp Pte Ltd, formerly known as Scenic Overseas(s) Pte Ltd, Singapore	36,00,000	4.27%	36,00,000	7.49%
Leytron Technology Pte Ltd, Singapore	3,300,000	3.91%	3,300,000	6.86%
LPP Developers Private Limited	2,700,000	3.20%	2,700,000	5.61%
Sparrow Asia Diversified Opportunities Fund	6039380	7.16%	-	-
Leman Diversified Fund	6039380	7.16%	-	-
Stream Value Fund	6039380	7.16%	-	-
Heshika Growth Fund	6039380	7.16%	-	-
Davos International Fund	6039380	7.16%	-	-

**4 RESERVES & SURPLUS**

Capital Reserve				
Balance as per last financial statement	24,264,168		15,595,565	
Add : On forfeiture of warrant application money received	-		8,668,603	
Balance as at the end of the year	24,264,168			24,264,168
Securities Premium Account				
Balance as per last financial statement	563,652,876		563,652,876	
Add: Received during the year	18,118,140			
Less: Issue expenses of FCCB	(2,878,163)			
Balance as per last financial statement	578,892,854			563,652,876
Foreign Currency Translation Reserve				
Balance as per last Balance Sheet	10,808,580		7,503,080	
Add / (Less): Effect of foreign exchange rate variations during the year	4,781,553	15,590,133	3,305,500	10,808,580
Surplus / (Deficit) in Statement of Profit & Loss				
Balance as per last financial statement	(151,634,810)		(165,964,417)	
Add: (Less) Adjustments related to fixed assets	(520,133)	-		
Profit for the year	18,810,200		14,329,607	
Appropriations				
Net surplus / (Deficit) in statement of Profit & Loss Account		(133,344,743)		(151,634,810)
Total Reserves & Surplus		485,402,412		447,090,814

**5 LONG TERM BORROWINGS**

Foreign currency convertible Bond - Unsecured	251,600,000	-
Term Loans		
- From Banks - Secured *	1,152,943	881,212
- From Financial institutions	-	13,373,480
Loans and Advances from Others	85,314,216	14,948,590
Total Long term borrowings	338,067,159	29,203,282
Less: Instalments of term loan payable within a year considered as other current liability	22,290,642	12,849,614
Net Long term borrowings	315,776,517	16,353,668

The company has allotted 5.34% interest bearing Foreign Currency Convertible Bond (Dollar bonds), of Dollar 1,00,00,000 on 19th December 2014 having a maturity life of 5 year convertible at any time up to 14th December 2019 into equity Shares of Rs. 10.50 (including premium of Rs. 0.50) at a conversion price of Rs 63.4135 , with a fixed rate of exchange on conversion of Rs 63.4135 per USD .

During the financial year ended 31 march 2015 the company has converted 60,00,000 Dollar bonds into 3,62,36,280 equity Shares of 10.5 (including premium of Rs. 0.5 ) per Share at a conversion rate of Rs 63.3415 per USD.

Unless the bonds have been previously redeemed, repurchased and cancelled or converted, the company will redeem the bonds on the maturity date at 100% of the principal amount of the Bonds.

As at 31st March 2015 40,00,000 Dollar bonds are outstanding .

Term loan from a bank is secured by hypothecation of vehicles

Schedule of repayment of loan is as under

Year	Amount in INR
2015-16	275,993
2016-17	238,627
2017-18	271,197
2018-19	128,296
2019-20	81,660
2020-21	91,019
2021-22	66,151

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## **6 DEFERRED TAX ASSETS / (LIABILITIES)**

On account of Carry forward losses	937,479	937,479
Temporary disallowances under Income Tax	921,415	921,415
Difference in written down value of Fixed Assets	(1,880,386)	(2,272,335)
	<u>(21,492)</u>	<u>(413,441)</u>

## **7 LONG TERM PROVISIONS**

Provision for		
- Gratuity	2,313,040	1,848,524
- Leave Benefits	402,151	252,709
	<u>2,715,191</u>	<u>2,101,233</u>

## **8 SHORT TERM BORROWINGS**

Loans repayable on demand		
Working Capital Borrowings from Banks (Secured)	45,413,042	37,198,757
Working Capital Borrowings from Banks (Unsecured)	12,944,859	
	<u>58,357,901</u>	<u>37,198,757</u>

Working capital loan is secured by the hypothecation of book debts & stock.

## **9 TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises		
Due to other than Micro, Small and Medium Enterprises	485,769,562	689,398,413
	<u>485,769,562</u>	<u>689,398,413</u>

## **10 OTHER CURRENT LIABILITIES**

Current maturities of long term debts	22,290,642	12,849,614
Interest accrued but not due on bonds	4,122,655	-
Advances from Customers	1,267,854	5,704,958
Dues to statutory authorities	10,359,623	9,135,255
Liabilities for expenses	9,686,878	10,055,987
Due to directors	969,663	2,080,576
	<u>48,697,316</u>	<u>39,826,390</u>

## **11 SHORT TERM PROVISIONS**

Provision for		
- Bonus	499,882	336,820
- Gratuity	548,306	505,728
- Leave Benefits	62,689	45,203
Others		
- Income Tax (Net of advance Tax)	11,103,131	9,333,017
	<u>12,214,008</u>	<u>10,220,768</u>

## CEREBRA INTEGRATED TECHNOLOGIES LIMITED

Amounts in INR

Sl. No.	PARTICULARS	GROSS BLOCK						DEPRECIATION						NET BLOCK			
		As at 01.04.2014	Additions	Exchange/ Fluctuation/ other Adjustment	Withdrawn	Re- Grouping	Deletions	As at 31.03.2015	As at 01.04.2014	For the year	Exchange	Deletions	Withdrawn	Transferred to retained earnings	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>12</b>	<b>Tangible Assets</b>																
i	Land	200,900	-	-	-	-	-	200,900	-	-	-	-	-	-	200,900	200,900	
ii	Lease hold land	50,639,394	-	-	-	-	-	50,639,394	-	-	-	-	-	-	50,639,394	50,639,394	
iii	Factory Building	4,638,187	-	-	0	-	-	4,638,187	20,18,711	154,356	-	(1,545)	-	-	2,174,612	2,463,575	2,619,476
iv	Plant & Machinery	30,890,264	13,128	-	0	662,324	-	31,565,716	23,120,911	5,875,521	-	-2,345,463	-	-	26,650,970	4,914,746	7,769,353
v	Computer/Printers/ Software	45,183,464	3,133,872	(92,014)	3	-	1,167,403	47,057,916	32,703,750	6,007,764	(35,875)	1,167,403	23,973	520,135	38,004,400	9,053,518	12,479,714
vi	Vehicles	3,178,842	584,655	-	-	-	468,168	3,295,328	1,898,379	302,097	-	468,168	89,915	-	1,642,393	1,652,936	1,280,463
vii	Furniture & Fixtures	6,604,568	28,373	(108,755)	20	-	2,145,076	4,379,090	2,260,570	413,927	(61,312)	559,738	24,458	-	2,028,979	2,350,112	4,343,986
viii	Electrical Installations	3,317,577	204,352	-	658	(662,324)	1,081,632	1,777,315	665,391	421,730	-	116,341	144,359	-	826,420	950,896	2,652,186
ix	Equipments given on Lease	1,859,011	-	-	-	-	-	1,859,011	1,445,892	57,589	-	-	-	-	1,503,481	355,530	413,119
	<b>TOTAL</b>	146,512,207	3,964,380	(200,768)	681	0	4,862,279	145,412,857	64,113,605	13,232,984	(97,187)	2,311,651	2,626,6224	520,135	72,831,255	72,581,607	82,398,602
	<b>Previous Period</b>	158,227,793	525,064	22,430	-	-	12,263,080	146,512,207	67,731,476	8,528,221	(80,071)	12,066,019	-	-	64,113,606	82,398,600	122,990,484
<b>13</b>	<b>Intangibles assets</b>																
	Software	390,597	-	-	-	-	-	390,597	390,597	-	-	-	-	-	390,597	-	-
	<b>TOTAL</b>	390,597	-	-	-	-	-	390,597	390,597	-	-	-	-	-	390,597	-	-
	<b>Previous Period</b>	390,597	-	-	-	-	-	390,597	390,597	39,060	-	-	-	-	390,597	-	39,060

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## **14 NON CURRENT INVESTMENTS[NonTrade]**

Investment equity shares		
Sankhya Infotech Limited		
200 (200) Equity Shares of Rs. 10 each	2,000	2,000
Less : Provision for dimunition	<u>2,000</u>	<u>2,000</u>
Reliance Power Limited		-
Nil (10) Shares of Rs. 10 each	<u>-</u>	<u>6,670</u>
		<u>6670</u>

## **15 LONG TERM LOANS AND ADVANCES**

[ Unsecured, Considered Good ]		
Capital Advances	380,008,962	376,847,797
Security Deposits- Secured, Considered Good	530,618	-
Security Deposits, Considered Good	3,772,185	5,461,182
Other Loans & Advances	14,805,128	20,407,862
	<u>399,116,893</u>	<u>402,716,841</u>

## **16 OTHER NON CURRENT ASSETS**

- Times Shares	165,100	165,100
	<u>165,100</u>	<u>165,100</u>

## **17 CURRENT INVESTMENTS**

LIC MF Savings Plus Fund		
Nil (25,135.226) units of Rs. 10.0118	-	293,223
	<u>-</u>	<u>293,223</u>
Basis of Valuation		
Aggregate amount of quoted investments and market value thereof	-	293,223
NAV of investment in Mutual Funds	-	293,397
Aggregate provision for dimunition in value of investments	-	-

## **18 INVENTORIES**

Raw Materials	18,746,558	10,651,679
Stock in Trade	153,733,060	117,257,943
	<u>172,479,618</u>	<u>127,909,622</u>

## **19 TRADE RECEIVABLES**

[ Unsecured]		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	664,586,579	879,478,610
Considered Doubtful	6,744	6,744
	<u>664,593,323</u>	<u>879,485,354</u>
Less: Provision for doubtful debts	6,744	6,744
Others	317,776,462	227,673,633
	<u>982,363,041</u>	<u>1,107,152,243</u>

## **20 CASH AND CASH EQUIVALENTS**

Cash in Hand	635,608	838,666
Foreign Currency in hand	151,216	165,105
Cheques on Hand	2,765,000	-
Balance with banks		
in Current Account	634,509,601	10,504,983
in Deposit Account	10,131,301	1,886,170
In Margin Deposit Account	-	7,103,188
(pledged with banks against bank guarantee )	<u>648,192,726</u>	<u>20,498,112</u>

<b>21 SHORT TERM LOANS AND ADVANCES</b>		
Advance Income Tax (net of provision for taxation)	11,701,478	7,803,577
Prepaid Expenses	263,012	379,544
Advance to Suppliers	11,757,701	18,474,606
Balance with statutory / Government authorities	4,119,952	2,036,517
Employee Advances	<u>336,726</u>	<u>353,730</u>
	<u>28,178,868</u>	<u>29,047,974</u>
<b>22 OTHER CURRENT ASSETS</b>		
Discount / Commission Receivable		
MAT Credit Entitlement	9,166,429	9,166,429
Interest accrued but not due on deposits	383,386	232,171
	<u>9,549,815</u>	<u>9,398,600</u>
<b>23 Revenue from Operations</b>		
Sale of Products	2,593,750,879	1,247,941,088
Sale of Services	82,648,837	57,649,455
Revenue from operations (Gross)	<u>2,676,399,716</u>	<u>1,305,590,543</u>
Less: Excise Duty	1,617,188	900,970
Revenue from operations (Net)	<u>2,674,782,528</u>	<u>1,304,689,573</u>
Details of Products Sold		
Revenue from Trading of Computers & Accessories	2,588,837,290	1,246,679,589
Sale of refurbished e-Waste	4,913,589	1,261,499
	<u>2,593,750,879</u>	<u>1,247,941,088</u>
Details of Services Rendered		
Sale of Software Services	63,951,834	49,862,139
Medical Transcription	18,233,908	7,532,923
LPO Services	463,095	254,393
	<u>82,648,837</u>	<u>57,649,455</u>
<b>24 Other Income</b>		
Interest Income on Bank Deposits	840,560	421,207
Dividend Income on Current Investments	4,809	8,863
Excess Provision / (Unclaimed Credit) Withdrawn	725,186	827,464
Others	359,595	2,291,144
Prior year adjustments	-	4,574,032
	<u>1,930,150</u>	<u>8,122,711</u>
<b>25 Cost of materials consumed</b>		
Cost of materials consumed	<u>5,339,249</u>	<u>884,659</u>
<b>26 Purchase of Stock-in-Trade</b>		
Purchase of Goods	<u>2,486,276,965</u>	<u>1,197,622,674</u>
	<u>2,486,276,965</u>	<u>1,197,622,674</u>
<b>27 Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
Inventories at the beginning of the year		
Finished Goods	117,257,943	127,424,786
	<u>117,257,943</u>	<u>127,424,786</u>
Inventories at the end of the year		
Finished Goods	153,733,560	117,257,943
	<u>153,733,560</u>	<u>117,257,943</u>
<b>Changes (Increase) / Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade</b>	<u>(36,475,617)</u>	<u>10,166,843</u>

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<b>28 Employee Benefit Expenses</b>			
Salaries and Wages	64,550,172		35,146,030
Contribution to provident & Other Funds	1,957,927		640,239
Staff Welfare expenses	1,141,706		651,361
	<u>67,649,805</u>		<u>36,437,630</u>
<b>29 Financial Costs</b>			
Interest on Bonds	4,122,655		-
Interest Expense	19,865,681		3,357,940
Interest on Income Tax	252,993		-
Other Borrowing Costs	6,663,721		8,411,876
	<u>30,905,050</u>		<u>11,769,816</u>
<b>30 Depreciation and amortisation expenses</b>			
Depreciation of tangible assets	13,232,984	4,944,832	
Excess provision related to earlier years withdrawn	<u>(2,626,624)</u>	<u>(239,823)</u>	<u>4,705,009</u>
	<u>10,606,360</u>	<u>4,705,009</u>	
<b>31 Other Expenses</b>			
Consumables	30,489		-
Power and Fuel	697,326		318,178
Rent	5,308,602		2,887,502
Repairs to Machinery	74,404		83,999
Repairs to Others	351,066		302,732
Insurance	2,295,462		51,031
Rates & Taxes, excluding taxes on income	7,860,369		2,780,258
Remuneration to Auditors	444,207		271,252
Professional Charges	7,570,237		3,486,386
Freight & Forwarding	1,886,955		356,008
Provision for Doubtful debts / advances			6,744
Bad Receivables / Advances written off	95,954	6,835,107	
Less: Provision for doubtful receivables / advances withdrawn	<u>95,954</u>	<u>-</u>	<u>6,835,107</u>
Travelling and Conveyance	1,812,651		1,457,856
Communication expenses	2,457,627		1,303,601
Commission	34,268,079		7,510,508
Labour Charges	283,445		34,510
Advertisement / Sales Promotion	3,288,400		946,273
Net loss on foreign currency transaction and translation	13,190,435		1,083,885
Brokerage & commission	608,700		-
Office Expenses	347,880		38,520
Prior year expenses	-		-
Printing & Stationery	153,864		90,202
Donation	4,000		-
Loss on sale / discard of fixed asset	1,854,208		194,270
Miscellaneous	1,248,386		531,334
Membership & Subscription	132,904		-
	<u>86,265,650</u>		<u>30,570,156</u>
Remuneration to Auditor			
As auditor			
Audit fees	210,000		195,000
Tax Audit fees	115,000		60,000
Certification Charges	50,000		
Reimbursement of expenses / Service Tax	<u>69,207</u>		<u>16,252</u>
	<u>444,207</u>		<u>271,252</u>

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

Regd Off.: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Cerebra Integrated Technologies Limited

CIN:L85110KA1993PLC015091

Registered office: S5, Off 3rd Cross, Peenya Industrial Area,Peenya I Stage, Bangalore -560 058

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint.

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature: ....., or failing him

3. Name:

Address:

E-mail Id:

Signature: .....

## **Annual Report 2014-2015**

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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held on Tuesday, 29<sup>th</sup> September, 2015 at 10:00 AM at the Corporate office of the Company situated at 26/4, 'A' Block, 4<sup>th</sup> Floor, Industrial Suburb, Sandal Soap factory Metro Station, Rajajinagar, Bangalore-560 055 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss of the Company for the year ended as on that date together with the Board's Report including Secretarial Audit Report and Auditors' Report thereon.
2. To appoint Mr. Vishwamurthy Phalantra, Director (DIN: 01247336), who retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

4. Appointment of Ms. Preethi Javali as a Director.
5. Appointment of Mr. P E Krishnan as an Independent Director.
6. Disinvestment by the Company as per Companies Act, 2013 and Clause 49 of the Listing Agreement.

Affix1/-  
Revenue  
Stamp

Signed this..... day of Septemebr,2015

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

Regd Off.: #S-5, off 3rd Cross, I Stage, Peenya Industrial Area, Bangalore - 560 058

Telephone: 91 - 80 - 22046969 Email: investors@cerebracomputers.com

Web: www.cerebracomputers.com

**Form No. MGT-12  
Polling Paper**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Cerebra Integrated Technologies Limited Registered office: S5, Off 3rd Cross, Peenya Industrial Area, Peenya I Stage, Bangalore -560 058		
<b>BALLOT PAPER</b>		
<b>Sl. No</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of share held by me	I assent to the resolution	I dissent from the resolution
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**ORDINARY BUSINESS**

1	To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31 <sup>st</sup> March, 2015 and the Statement of Profit and Loss of the Company for the year ended as on that date together with the Board's Report including Secretarial Audit Report and Auditors' Report thereon.			
2	To appoint Mr. Vishwamurthy Phalanetra, Director (DIN: 01247336), who retires by rotation and being eligible, offers himself for reappointment.			
3	Appointment of Auditors and fix their remuneration.			

**SPECIAL BUSINESS**

4	Appointment of Ms. Preethi Javali as a Director			
5	Appointment of Mr. P E Krishnan as Independent Director			
6	Disinvestment by the Company as per Companies Act, 2013 and Clause 49 of the Listing Agreement.			

Place:

Date:

(Signature of the Scrutinizer)

(Signature of the shareholder)

**CEREBRA INTEGRATED TECHNOLOGIES LIMITED**

CIN: L85110KA1993PLC015091

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**ATTENDANCE SLIP**

21<sup>ST</sup> ANNUAL GENERAL MEETING, TUESDAY, 29<sup>TH</sup> SEPTEMBER, 2015 AT 10:00 AM

(This attendance slip duly filled in to be handed over at the entrance of the meeting hall)

Name of the attending Member (in block letters): .....

Members' Folio Number : .....

Client I.D. No: .....

D.P.I.D. No: .....

Name of the Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

.....

No. of Shares held: .....

I hereby record my presence at the Twenty First Annual General Meeting of the Company held on Tuesday, 29<sup>th</sup> September, 2015, at 10:00 AM at the Corporate office of the Company situated at 26/4, 'A' Block, 4<sup>th</sup> Floor, Industrial Suburb, Sandal Soap factory Metro Station, Rajajinagar, Bangalore-560 055.

To be signed at the time of handing over the slip

Signature of Member / Proxy

## Notes

# *Annual Report 2014-2015*

## Notes





## Cerebra Integrated Technologies Limited

CIN : L85110KA1993PLC015091

Regd.Off.: #S-5, Off 3rd Cross, 1st Stage, Peenya Industrial Area, Bangalore - 560 058

Ph: 91-80-2204 6969 Fax: 2204 6980

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